RUSSIA

The Official Report of the British Trades Union Delegation to Russia in November and December,

1924

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SECRETARY.

Mr. FRED BRAMLEY.

OFFICES.

32, Eccleston Square, London, S.W.1.

TELEPHONE:
Victoria 6410.

TELEGRAMS:
"Tradunic, Churton, London."

£7-50

Fred. W. Grant.

Fred. W. Grant.

BLOODY SUNDAY

The famous picture of the Priest Gapon and his followers who were massacred by Tsarist troops on January 9th, 1905

The original painting now hangs at the top of the grand staircase of the first Soviet House, Moscow

Fred. W. Grant.

RUSSIA

The Official Report of the British Trades Union Delegation to Russia and Caucasia Nov. and Dec., 1924

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Printed at the CO-OPERATIVE PRINTING SOCIETY LTD.,
Tudor Street, New Bridge Street,
LONDON, E.C.4

1925

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MEMBERS OF THE DELEGATION

TRADES UNION CONGRESS GENERAL COUNCIL DELEGATES

HERBERT SMITH, J.P.

Nineteen years President Yorkshire Miners' Federation. President, Miners' Federation of Great Britain since 1921. Vice-President, 1907. Served on several Royal Commissions. President, International Miners' Committee. Member of School Board, West Riding (Yorks.), County Council and other Public Bodies for many years. Member, Parliamentary Committee, Trades Union Congress, 1913-16, and General Council, 1923-24. Appointed J.P. in 1915. Member, Central Committee, Miners' Welfare and Central Committee, Mining Examining Board.

BEN TILLETT

General Secretary of Trade Unions since 1889. Founder of Dockers' Union which originated from the Tea Coopers and General Labourers' Union established in 1887. A pioneer of Trade Union Movement nationally. Contested several Parliamentary elections. Elected for North Salford 1917. Seat held until 1924. Remained Dockers' General Secretary until amalgamation to Transport and General Workers' Union. Now Secretary of Political and International Department of Amalgamated Union. Member of Trades Union Congress General Council since 1922. Member of Parliamentary Committee, Trades Union Congress, 1892-4.

JOHN TURNER

Associated with Socialist organisations since 1884. Intimate with founders and leaders of Socialist thought, such as William Morris, Belfort Bax, and other Pioneers. Closely associated with Prince Kropotkin from 1886 until his return to Russia in 1917. A pioneer of Shop Hours Legislation and founder of Shop Assistants' Union. Official of this union from 1898 until retirement as General Secretary after twelve years in this position until 1924. Elected to General Council, Trades Union Congress, 1921; re-elected by Congress each year to 1924 for period to September, 1925.

JOHN BROMLEY, M.P.

A pioneer of Railway Trade Unionism and held many positions of trust prior to appointment as Branch Secretary of Associated Society of Locomotive Engineers and Firemen, 1904. Elected Organising Secretary of the union, 1910. Secretary also of Conciliation Boards. Elected General Secretary of the union, 1914. Elected member of Labour Party Executive, 1920 and 1921. Elected member of Trades Union Congress General Council, 1922-24. Member of Labour Party delegation to Ireland. Three times candidate for Barrow, elected 1924. Prominently associated with Labour and Socialist propaganda for many years.

ALAN A. H. FINDLAY

Member of United Patternmakers' Association since 1893. Branch Secretary and other offices. Elected Assistant General Secretary, Executive Department, 1913. Elected General Secretary, 1917. Formerly Treasurer, Engineering and Shipbuilding Trades Federation for three years, subsequently appointed President, at present occupying this position. Elected to Trades Union Congress General Council, 1921, re-elected each year until 1924, for term ending September, 1925.

A. A. PURCELL (Chairman of Delegation)

Member, Furnishing Trades Union since 1891. Member, Social Democratic Federation many years. Member, Salford Borough Council for six years. Sectional Secretary, subsequently Organiser, Furnishing Trades. Parliamentary candidate, West Salford, 1910. Contested Coventry, 1923-24. Elected 1923. Successful Arbitrator in Co-operative and other disputes. Elected to General Council, Trades Union Congress, 1919, re-elected each year. Elected by Trade Union International Conference, Vienna, 1924, as President. President at 1924 Trades Union Congress. Vice-Chairman, General Council. Appointed delegate to American Labour Convention, 1925. Accompanied the Delegation to Russia in 1920.

FRED BRAMLEY (Secretary to Delegation)

Many years actively associated with political and industrial branches of the Labour Movement. Several years full time Lecturer on Social and Economic subjects in connection with "Clarion" Newspaper. Formerly Organising Secretary, Furnishing Trades Association. Appointed Assistant Secretary, Trades Union Congress, 1917; General Secretary, 1923. Served on several Government Committees. Member of Royal Commission on National Health Insurance and National Debt Commission.

ADVISORY DELEGATES

HAROLD G. GRENFELL

Entered Navy, 1883; retired in 1920 with rank of Captain. Admiralty Intelligence Department, 1904-1905; Governor of Hong Kong Naval Prison, 1907-8; Admiralty War Staff, 1910-1911; Naval Attache, British Embassy, St. Petersburg, April, 1912 to November, 1917; Head of Naval Mission to Finland, December, 1918-June, 1919; Joined Independent Labour Party, 1919. Member of Advisory Committee on Army, Navy, and Pensions.

A. R. McDONELL

Educated St. Paul's School, London. C.B.E. (Civil); Resident in Russia, 1902-1919; British Vice-Consul, Baku, South Russia, 1907-1916. British Military Forces in Caucasus and North Persia, 1916-19 (Temporary Major). Foreign Office Temporary 1st Division Clerk, 1919-1923.

GEORGE YOUNG

Educated Eton and Foreign Universities. M.V.O. Diplomatic Service (passing in Russian 1896-1915. Admiralty Intelligence, 1915-18. Volunteered in ranks, February, 1918 and commissioned R.M.A., August. "Daily News" Correspondent through German Revolution, December, 1918-August, 1919. Professor of Portuguese, 1919-1922, and Examiner in Ottoman Law, London University. Joined the Labour Party, 1915, and accompanied Delegation to Russia in 1920. Member of Advisory Council on International Affairs. Parliamentary candidate, South Bucks., 1923, and 1924. Author of numerous works on foreign affairs.

PREFACE

The Delegation representing the British Trades Union Congress left London on November 7th, 1924, and travelled to Moscow. After a stay there it went on to Kharkov, the Don Basin, Rostov, the Caucasus, Baku, and Tiflis. Thence it returned by a different route to Moscow, and, after a second stay there, came home by Leningrad, arriving back in London on December 19th.

One of the advisory delegates spent another ten days studying rural and political conditions in the Ukraine and Moldavia, and came home by Odessa and Constantinople.

During our journey from London to Moscow we travelled through Belgium, Germany, Lithuania and Latvia, and through the agricultural districts of Russia to Moscow, arriving in Moscow on Tuesday, November 11th.

The journey was not without incidents of an interesting character even before we arrived at the Russian frontier. At Berlin, we were informed that the official delegation appointed by the Government of Germany to proceed to Moscow for the purpose of discussing a trading agreement between Germany and Russia was to occupy another portion of the same train in which we were travelling. No detailed comment is necessary to indicate what we considered to be a remarkable coincidence, namely that having just left our own country after a severe attack on the Labour Party because of its attempt to arrange a trading agreement with Russia, we should on our way be joined on the same train by the official representatives of a country which for many years has been our most successful competitor, especially in Russian markets—representatives who were charged with the special task of promoting the trading interests of their own country.

On our way to Russia we were met at Riga (Latvia) by the official representatives of the Soviet Government. The Ambassador and other officials who received the Delegation at the Russian Embassy in the name of the Soviet Government expressed the hope that our investigations would enable us to obtain the facts and convey the truth to the workers of our own and other countries.

After this brief first introduction to Russian representatives we proceeded to Moscow accompanied by official representatives of the All-Russian Trades Council and some of the officials attached to the Moscow Trade Union centre.

The first impression we received in Soviet Russia was on our arrival at the frontier station of Sebezh. The entrance into Soviet Russia at the frontier was marked by a specially constructed arch upon which were displayed on a red cloth covering, various mottoes with which we were well acquainted in our own language. These declared the international solidarity of the workers, and informed all who entered this new country that the main purpose of Russia was the building up of an economic system which would eliminate the capitalist. Here we were also introduced to representatives of Russia's Red Army. It was the first time that the majority of the members of the Delegation had seen an army raised and organised by workers for the purpose of defending a State controlled by themselves.

The present frontier town of Sebezh was formerly an almost unknown and unimportant village consisting of 500 individuals. It is now becoming an important frontier centre, and building operations for housing the people were in progress. The first building to be erected after the workers' houses had been built was the workmen's club. This club had been erected by the workers themselves in their spare time as a voluntary contribution to their own cause. We saw the first attempt at a library, the first lecture room, and the first form of rural education which have ever been known in this area, and we were here also confronted with an important economic fact. We were privileged to inspect eight enormous railway engines, newly constructed, up-to-date, with all the modern appliances for heavy transport service, these being the first instalment of a contract order given to Sweden for 180 of the same type. We could not avoid noting the great importance of this first lesson, and we regretted very much indeed that we were not able to bring the British electorate to this spot for the purpose of reconsidering their decision at the last election. We had no doubt that our engineering employers and also the shareholders and investors in engineering works would have required a few hours' solitude for the purpose of considering their position in view of this manifestation that if Great Britain will not take the opportunity for commercial extension of the Russian market, other countries, including Sweden, France, and Germany, will be before us, and at a later date it will be no longer a question of election decisions to keep out of Russia but of commercial competition to get in.

At various centres our train was pulled up for the purpose of enabling us to receive a welcome from the officials and representatives of the Soviet Government and workers' unions. The space which would be necessary to convey to the mind of the reader our rapidly accumulated impressions would occupy many pages of this report, and in this, the introductory section, we can only give the barest outline of our experiences at way-side stations of Soviet Russia. There were demonstrations of enthusiastic workers—men and women—with banners flying, beautifully embroidered with gold and silver mottoes artistically designed and very impressive. Our deepest impressions were received in relation to the bands of children known as " Young Pioneers,"

who were lined up to take the front place in these receptions. Their singing of revolutionary songs reminiscent of the folk-songs of our country, were inspiring but melancholy and full of depth. We seemed to be called back through the centuries of persecution, and we felt that through this revolutionary music we could hear the wailing cry of a people long oppressed brought into contact with a glimpse of freedom and hope for a better future.

The children appeared to us to be happy. They were undoubtedly well-cared for. Their eyes were bright and full of young life. We saw no signs amongst them of extreme poverty, and it appeared to us that a special effort was being made to make the lives of the young happier and more pleasant by the changes which had already been made. As a contrast to these, we noticed, standing among the representatives of the present generation, many old people who had evidently passed through a period of great trial, oppression, and persecution. They bore on their faces indelible marks of the terrible conditions of the past and the scars of war. The haunted expression of persecuted men was still left in their eyes, and the contrast to us was a most eloquent expression of the difference between the old order and the new.

Members of our Delegation who had visited Russia in connection with the 1920 Delegation, gave us information which indicated the very great contrast between the conditions of these people at the way-side stations and the conditions which existed during the previous visit. The demonstrations in 1920 consisted mainly of large crowds of people—young, middle-aged, and old—who had covered their starving bodies with rags and who were evidently going through a period of extreme misery. This contrast was the first sign of the rapid improvement in social conditions which we have witnessed throughout Russia and place on record in this report. To members of the Delegation who had resided in Russia many years before the war, other changes were made evident. The improved cleanliness, as compared with pre-war days of buildings, such as restaurants and even lavatories, used by the peasants and the working-class, was very marked. The stations and station buildings were entirely free from the accumulation of cigarette ends and the husks of sun-flower seeds, also the defacement of the walls which were so prevalent before the war. Another impression was received in conversation with the employés in charge of the railway carriage in which the Delegation travelled. These conductors and other employés were now State employés. We were travelling with three officials of the Government, yet the employés discussed freely the conditions under which they lived and stated frankly their personal objections with regard to some of the restrictions under which they worked. This to some extent, refutes the idea that expressions of this kind were unsafe or unwise in Soviet Russia.

On our arrival in Moscow we were met by officials of the All-Russian Central Council of Trade Unions, and after making hotel arrangements we

were conducted to the Sixth Congress of the All-Russian Trade Unions. This Congress was attended by 843 delegates, representing approximately a membership of 6,000,000 Trade Unionists throughout Russia. We noted a great variety in type and temperament, as will be understood in view of the fact that Russia includes a population of about 130,000,000, with from 120 to 130 distinct nationalities. The arrival of the British Delegation aroused great enthusiasm. Three speakers were appointed to speak on behalf of the Delegation—the Chairman, Mr. A. A. Purcell, the Secretary, Mr. Fred Bramley, and Mr. Ben Tillett. The speeches were followed with great attention and the point of view expressed in conveying the fraternal greetings on behalf of the British Trade Union Movement was wholly endorsed by this remarkable gathering.

The All-Russian Trades Union Congress was held in a building known as the "Hall of Trade Unions," a magnificent building which has been placed at the disposal of the Trade Union organisations of Moscow by the Soviet authorities. It was formerly known as the Nobles' Club, and was utilised by the Russian aristocracy as one of their principal centres for receptions and amusement, including what might be described as high speed gambling on an intensive scale. The Congress Hall was magnificently illuminated and decorated inside and out for the purpose of the Congress. Along each side of the building there were huge white pillars with carved capitals, and these pillars were artistically decorated with red cloth, on which were printed various mottoes in the form of declarations of Soviet principles and policy. We were later conducted round this building, which contains the offices and club of the Moscow Trades Council and in which a good deal of the Trade Union business in connection with Trade Union organisation is transacted. The premises were kept in perfect order and cleanliness, and along the corridors we noticed some magnificent specimens of art in metal, marble and stone. On the walls many fine pictures were hung, some of them representing the old order, others painted by revolutionary artists depicting in vivid outline the main incidents of the Revolution and the aspirations of Russian democracy.

We were taken into the Council Chamber where the nobles, under the old régime, held their meetings, in the centre of which was placed a round table around which were beautifully carved chairs, each one of them decorated with the coat of arms of the Grand Duke or other aristocrat who occupied the chair.

It is our duty to place on record here our impression that the works of art in this and all other centres of Trade Unions and Government activity have been very specially cared for by the authorities whether the treasures represented the old order or the new. There is no evidence of abuse, and every respect is shown to the art creations taken over by the new social organisation in Russia.

The Delegation also visited the Mausoleum in which the body of Lenin still lies in state, and in the name of British Trade Unions deposited a special wreath to mark our respect to the departed leader. This burial place of Lenin is

erected close to the Kremlin walls and constitutes an impressive and tragic memory of the Revolution.

While in Moscow we witnessed a huge demonstration of Trade Union delegates, with bands and banners, that passed the specially erected stand outside the Congress Hall occupied by the British Delegation and other Trade Union representatives. The huge space was packed by thousands of workers who gave expression to unreserved enthusiasm and interest in our Delegation. The march past was a magnificent sight. Huge battalions of workers with banners of various kinds, many of them beautiful examples of art in cloth, gold, and metal. This conveyed to us the message that art and handicraft are closely allied to the revolutionary sentiments which now inspire the Russian people.

The most moderate estimate of this demonstration was that at least 100,000 people assembled for the purpose of giving a united reception to the British Delegation. The speeches delivered by the British representatives were well received.

We attended a demonstration of quite another kind on the morning of our first Sunday spent in Russia. The Delegation, along with Russian and other representatives attending the Congress, were invited to view the manœuvres of the special cavalry detachment of the Red Army, known as Budenny cavalry. Budenny, the Commander-in-Chief, is known as a famous cavalry leader. The honorary colonel of this regiment is the Presidium of the All-Russian Trades Council, and reports are given direct from the regiment to the Congress by representatives of the battalion in the same way as reports are given regarding other department work under the control of the council. The mounted cavalry gave us some wonderful demonstrations of horsemanship and military movement and the manipulation of artillery equipment was a new experience for the representatives of British Labour. We were here witnessing the operations of the first disciplined, armed and trained force created and utilised for the defence of working-class institutions, an important detachment of an army of well-equipped, able-bodied, well-trained soldiers kept in existence by the workers themselves, organised, controlled, and working under the orders of their officers appointed and recognised by working-class organisations. We are not quite sure what those who are included in organisations in Great Britain known as pacifists, would have to say regarding this demonstration. It appears, however, to be an indispensable necessity so far as the Russian Republic is concerned. Every precaution is taken in Russia by those in authority and responsible for the social and economic life in the country to make adequate provision for the defence of the present social order against all enemies, including the danger of counter-revolution and attacks upon the Soviet State from without.

In Moscow we visited various institutions, and saw much that was of very great interest. We saw performances at the Opera House, and were

specially interested in a demonstration of Russian talent at the Congress Hall, including a huge orchestra, special groups of Russian dancers, well-organised choirs representing the gipsy tribes of Russia, and the peasant singers of the agricultural areas. The singing of their peasant songs and folk songs was extremely interesting to the Delegation, and the performance would, in our opinion, receive the enthusiastic applause of the most severe of our musical critics. The Russian people are great artists, great musicians, and idealists. The Russian temperament as reflected in this magnificent display of talent at the Congress Hall and other places, conveyed to us the fact that in Russia music and art and even amusement are recognised as important instruments of social education. They are encouraged and developed by the Socialist Government for this purpose.

We were also favoured with special facilities to investigate the Kremlin, and we passed through various Government buildings and offices. We cannot in a report of this kind attempt to describe the many beautiful examples of architecture and the marvellous collection of Russian craftsmanship of many ages, treasured in one of the buildings which is set apart for the purpose of a national museum. We must, however, again place on record the fact that in passing through the throne room, the living apartments and the state bedrooms, formerly occupied by the royal family, we noticed not the slightest case of damage to the very beautiful decorations and furniture in these apartments. This appeared to us to indicate that the alleged destructiveness of the Revolution was not allowed to penetrate inside the Kremlin walls.

Visits were also paid to the principal prisons, where we visited the workshops and living apartments utilised by those serving terms of imprisonment for criminal offences. The prisoners work at various occupations. At the Boutirka prison we saw the saw-mill, chair-making factory, tailoring shop, bakehouse, and laundry, and were very much impressed by the occupational organisation inside this prison. Many of the prisoners before internment were not trained for any skilled occupation, and we noted that in the boot-making department, a number of young men were going through a period of apprenticeship. The prison is kept in a satisfactory state of cleanliness. We sampled the food, saw the bills of fare, and were much pleased to see that prisoners in what were once the worst prisons in Europe are permitted to enjoy a fair standard of comfort, are treated with very great humanity, and get good opportunities for a fresh start.

During our visit to this prison, we were allowed to interview the members of the Central Committee of the Socialist Revolutionary Party, who were in prison, as some of our readers will know, for alleged plotting against the present Government. These prisoners are kept in the Political Section of the prison. They are housed in separate rooms along a main corridor, in which we understand they are permitted to meet together. In this general

preface we cannot enter into a detailed account of our discussion with these political prisoners, representing a revolutionary movement in which they played a very prominent part with great personal ability. A later section of the report will deal more fully with this question. They spoke very freely with us in private, and also in the presence of Soviet officials they made very definite and clear their opposition to the present Soviet system. Their indignation regarding their own treatment was mild compared with the free expression of their bitter disapproval of the treatment which they alleged their comrades were receiving at the hands of the Soviet Authority in Georgia, and other parts of Russia, where we were led to understand by the Social Revolutionaries there is a strong and deep-seated disapproval of the present system. The report on Trans-Caucasia dealing with this question will indicate to what extent we were able to test the accuracy or otherwise of these allegations.

On the 23rd November, the Delegation divided into two sections and left Moscow for the purpose of visiting important centres of industrial activity in Russia. We made our own plans and decided for ourselves our own line of inquiry and the places which we proposed to visit.

The programme of the Delegation on this tour included an investigation of the industries, mines, workshops, social and housing conditions, and trade unions in Kharkov, the Donetz Basin, Bakhmut, Bryansk, Gorlovka, Sterovka, Usovka, Rostov, Kislavodsk, Tiflis ; the oil industry at Grozny and Baku ; the mines at Chiatouri, and the electricity plant at Zemo-chavalis. On its return to Moscow the Delegation again divided and visited Chatura and the Moscow Aircraft Works before proceeding to the Leningrad area and the Volkhovstroi electric power station.

At Kharkov we inspected the principal industries. We were shown round a well-equipped and extensive factory, in which 3,000 workers were employed in producing agricultural machinery. Going through the foundry, the engineering shops, and wood working departments, we noted production being conducted on a very large scale. We were met by enthusiastic groups of workers, who rushed forward to meet us, and expressed spontaneously their gratitude to us for visiting them, and their wishes for the development of a mutual understanding between British and Russian workers. The same kind of welcome awaited us at a large electrical works.

We were shown round this well appointed engineering establishment, where we saw huge dynamos in process of manufacture, with workers representing a very high degree of skill, and employed in producing electrical equipment intended for the industries and for the towns and cities and agricultural villages of the Soviet Republic. The managerial chiefs of this factory impressed us very much indeed with their business capacity, and the very high degree of technical knowledge of the industry for which they were responsible.

Kharkov is the chief city of the Ukraine. It has been the centre of many conflicts between Red and White troops. The army of Denikin had been able

to inflict considerable damage to the railways, to the roads, and to the bridges in this area. Bridges were destroyed, and great damage to public buildings was noted, and the railway still bore the destructive marks of warfare and the clearest possible indication of the ravages of the civil war. The conflicts of the civil wars had left their mark in every direction on this place.

We were taken to the Trade Union centre, where the business connected with the Ukrainian Trade Unions is transacted. This centre represents 1,117,000 Trade Unionists, and its buildings were formerly used as an office for the largest insurance company in the Empire. Twenty-three unions now transact their business in these premises. The Trade Union Council of Kharkov also meets in the same building and represents 160,000 Trade Union members in the city. The meetings of the Executives of all the Ukrainian unions are held on these premises, and also the meetings of the Bureaux. The weekly joint meetings of all local bodies and the Health and Unemployment Insurance business of the State are also transacted in the same building.

The Centre of Government for the Ukrainian Republic was also visited, and we were introduced to the President, Petrovsky, who gave us a most interesting account of the development of Soviet control in the Ukrainian Republic. This President was a Member of the Fourth Duma in Russia and one of the five members arrested and sentenced to life exile for protesting against the war in 1914. He was tried by court martial in 1915, and sent thousands of miles away from any railway system, isolated from all contact with friends and relatives, and was removed from any possible contact with the agencies of the Revolutionary movement.

The Presidium of Kharkov meets in a magnificent building of great architectural beauty, formerly occupied by a banking company. In this building we were amazed and interested to see some extremely fine examples of peasant art, including elaborate panels of embroidery in gold and silk, and woodwork and metal, wonderfully reminiscent of the kind of thing we read about at home in connection with the life of William Morris and his attempts to revive the beauty and skill of craftsmanship.

In conversation with the President as to whether the Ukrainian peasant accepted the present system of Soviet control, a system based on Communism, we were informed that 70 per cent. of them took part in recent elections and supported the Soviet system by substantial votes, and are now supporting the system with taxes which are collected without difficulty; and although the peasant is a strong individualist his prompt payment of taxes, his interest in political elections, and his support of the Soviet Government, indicated general satisfaction with the present régime.

We were, however, informed that they were not quite untroubled by neighbouring States. They had to deal with armed bandits who overrun the frontiers occasionally and illegal bands of marauders who call themselves White Guards for their own purposes; and on this point a remarkable statement

was made to us, namely, that the enemies of Soviet Russia had driven large numbers of the poor population of Poland over the borders to be maintained by the Ukrainian Authorities.

After leaving Kharkov, we visited Rostov, and here we found the public buildings, the shops, clubs, and institutions of a rather better order than in most of the Russian towns and villages we visited.

We were well received by the local people and were entertained at a workmen's club, which had formerly been utilised as a bank. The interior decoration of this building and the general type of architecture was one of a design representing a very high standard.

From Rostov we travelled to Grozny, making a call during the day at Kislavodsk. This is a town famed for its mineral springs, and was formerly visited by the wealthiest families of Russia, Germany, and other parts of Europe as a health and holiday resort. Here we visited several institutions, holiday homes, and rest houses established in houses built by the aristocracy and luxuriously furnished in former days for their own purposes.

We arrived at Kislavodsk on one of the finest days of our tour. It was almost like summer, and the mild, warm air and beautiful sunshine proved an acceptable change to the Delegation. We visited the workmen's clubs and convalescent homes, and there is no doubt that this famous health resort is now being utilised by the Trade Unions for the purpose of giving health and medical attention to those who most need it as a result of their active services in industry.

On our arrival at Grozny, we immediately proceeded to inspect the first oilfield we had been able to see in Russia. We were introduced to the process of tapping these natural springs of valuable oil, which formerly provided profits from which millionaires were made. In all directions we noticed the precious oil bubbling to the surface of the earth, ready for the simplest methods of extraction. The fluid, which in all parts of the world has caused more diplomatic differences and national jealousies than any other raw material, is to be found in great abundance in this area.

We were extremely interested by what we saw and learned here. We were able to see the miserable hovels which the millionaire oil monopolists had erected for the purpose of housing the workers under the old system, and as a contrast we were able to look round the model village which was being built by the Soviet Republican authorities. The profits from the oil wells are now being used for the purpose of creating improved housing conditions for the workers. During our inspection of these houses we were impressed by the up-to-date architectural design, and inside we were gratified that in relation to air space, sanitary conveniences, and general opportunities for comfort, the houses were in many respects as good as the model cottages being built in England in connection with Government schemes.

From Grozny, we travelled to Baku, where we visited the most famous oilfields in the world; and here again we saw very striking evidence of the

effect of Soviet rule and also the destructive effects of the struggles between the troops of contending nations to obtain possession of this immensely valuable oilfield. Here the wells exist in great number, and the equipment is on a large scale. Since the Revolution the plant has been electrified, and on the oilfield itself there is a large electrical department, where huge dynamos are at work, and the Soviet authorities have expeditiously carried out a scheme which had been discussed by private monopolists of the oilfields for over ten years.

During the investigation of the oilfields of Baku we were amazed and disgusted with the conditions of housing the workers which had formerly existed under private control. The living places were not huts ; to attempt to dignify them with the name of houses would be wrong, and the nearest description we can give is the out-houses one finds in the worst slum areas at home. Long rows of dimly lighted buildings, one storey high, with small windows and low-built doorways, and in some cases no flooring but the earth. In these hovels hordes of people of various nationalities had been housed under such conditions that would subject the owner of cattle in our own country to prosecution for cruelty if he kept his animals in a similar state. We have no hesitation in saying that these conditions of housing the people were the vilest and worst we have seen in Russia or in any parts of the world known to any of the Delegation. When we remembered that the output of oil from this district can be counted in hundreds of millions of poods and that millionaires have been created in abundance from these oilfields, our indignation and disgust at the treatment of the workers was unlimited.

As a contrast to these conditions, we were able to visit the new houses now being built out of oil profits by the Soviet Republic of the workers. The change can only properly be described as a remarkable revolution in the housing of the people. In addition to this we were very much impressed by the great changes which the Soviet Government is making in the social life in this the most famous oil centre in the world. The profits from the oil industry, in addition to being used for housing, are being used for educational purposes, and have already been utilised for the development of a very efficient electrical tramway service, which had also been discussed as a project for many years by the millionaire capitalists, who drew enormous wealth from this area but left it in a backward, and one may also state, an uncivilised condition. The workmen's clubs and social institutions are utilised as centres of education for the workers. Further information regarding these institutions will be given in another part of the report.

From Baku, we travelled to Tiflis, and here we were met by an enthusiastic demonstration of workers and Trade Union officials. We spent several days investigating factories both in Tiflis and the surrounding districts, and visited institutions, the Trade Union centre, and the President of the Soviet Republic of Georgia. We visited a large railway shop, in which somewhere about 3,000 workmen are being employed in producing railway stock. Members of the

Delegation addressed a mass meeting of the railway workers, and our visit was wound up by a remarkable demonstration in the main thoroughfare, witnessed by the Delegation from a special stand erected in the main street of the city—a demonstration which conveyed to us the impression that the workers of Tiflis were not living in that state of oppression and subjection which certain reports we have read would appear to indicate. This demonstration appeared to reflect the strong, united approval of the workers in the present system of government in Georgia.

While visiting Tiflis we were well aware that this city was the most contentious part of our tour, and special reference regarding our stay in Georgia will be found in the main body of the report. We have, however, to say here that our experiences in Georgia did not bear out the general impression which is being created by reports appearing in the capitalist Press and other newspapers intended to convey the impression that the population of Georgia is being held down in a state of suppression by a Russian Red Army of occupation.

We returned to Moscow from Tiflis and continued our investigations into industry, Government institutions, workmen's clubs, rest-houses, and other places. We also concluded our special inquiry into the alleged Zinovieff Letter used against the Labour Party during the election, and the results will be published.

We next visited the home of the Russian Revolution—Leningrad—and spent four days there for the purpose of visiting industrial undertakings, government departments, hospitals, orphanages, and other social institutions in and around the town. The reception of the Delegation at Leningrad exceeded any other demonstration of our tour. The civil population appeared in many thousands, lining the main thoroughfares of the city. A large demonstration was addressed by members of the Delegation, and the march through the city to our headquarters, headed by large battalions of sailors singing revolutionary songs and escorted by regiments of soldiers will long be remembered by every member of the Delegation.

At Leningrad, we were conducted through the Winter Palace and passed through the royal apartments of the Czars. The magnificence and splendour of these rooms crowded with works of art, luxuriously furnished and in every way equipped with all the best which modern civilisation can produce, contrasted vividly with the extreme poverty of the Russian people which we know existed prior to the Revolution. In these apartments we noticed an abundance of works of art in gold and silver, inlaid with precious stones of priceless value. The reading rooms, libraries, sleeping apartments, drawing-rooms and State rooms of the Royal Palace were crowded with these gems. These apartments are now kept as a museum and the royal treasures are held in the name of the people. With the exception of one section of the palace, we saw no sign of any destruction due to violation within the walls of the palace. In every room, the books, paintings, chairs, tables, etc., were

left exactly as they had been occupied by the royal residents and there had been no greedy invasion by a horde of savage proletarians taking possession of royal property such as we have had described in the columns of our capitalist newspapers. What will be the ultimate destiny of this royal home of the Tzars, this centre of oppression and persecution of a long-suffering people, we cannot say. In the meantime, one part of the royal palace is utilised to demonstrate the luxury of the old régime and the other is used as a revolutionary museum containing remarkable and startling evidence of the cruelties and barbarities practised upon the political opponents of the old order during the many years of revolutionary effort to establish the new.

The reader will require to read other books dealing with the royal palace to secure further details. We visited the scene of the massacre of Bloody Sunday (see frontispiece to Report), and penetrated inside the walls and into the rooms from which the orders were given to destroy the lives of the people clamouring for the barest recognition of political rights, but not without feelings of antagonism to the old order of autocracy and oppression.

We also, during our visit to Leningrad, visited the burial place of the martyrs of the revolution and we could not leave this spot after our visit to the Winter Palace without being deeply impressed with the evidence of the long and bitter struggle that had taken place between the workers of Russia and their oppressors.

From Leningrad we started our return journey back to England, leaving there on December 15th, and arriving at Dover four days later. The Delegation had been occupied almost night and day either in travelling from one place to another or in investigating the conditions of Russia as thoroughly as time and opportunity would allow.

We have placed on record in the following reports the truth as we were able to observe and understand it. There are many problems with which we have not been able to deal, many institutions we were not able to investigate. We have placed on record the results of our labours in the hope that what we have to say will be of interest and use to those who desire to understand Russia and who are prepared without bias to examine the consequences which arise from the control of this great country by the workers who reside in it and who have secured this control by facing indescribable dangers and going through suffering unparalleled in the history of world conflicts between race and race, class and class, and one form of civilisation and another.

During our investigations we were assisted by experts who knew Russia and could speak the language, who had resided in Russia for years and who were well-informed regarding Russian institutions. We were not, therefore, as many critics have said, in any way at the mercy of the appointed guides and interpreters of the Russian Government.

In this connection the Delegation unitedly wish to express their recognition of the services of the advisory delegates whose official training and

traditions have enabled the Delegation to reproduce the character of an official report. In the following General Report, Chapter VI., on the Army was prepared by Captain Grenfell; Chapters I. to V. inclusive and VII. of Part I. (the Soviet Governmental System) were prepared by Mr. Young; Chapters VIII., IX., X. of Part II. (the Soviet Social System) by Mr. McDonell. The Report on Labour Conditions and the Report on Trans-Caucasia were prepared by Mr. Young with the assistance of Mr. McDonell. The Report on the "Zinoviev" letter is being published separately. All these reports embody the unanimous conclusions arrived at by the delegates before leaving Russia.

HERBERT SMITH.
BEN TILLETT.
JOHN TURNER.
JOHN BROMLEY.
ALAN FINDLAY.
ALBERT PURCELL (Chairman).
FRED BRAMLEY (Secretary).

YOUNG COMMUNISTS DRILLING OUTSIDE THE KREMLIN IN MOSCOW

INTRODUCTION

In publishing the following reports on present conditions in the Union of Socialist Soviet Republics the British Trades Union Delegation has done its best in the time and with the means at its disposal to present an objective review of the Russian Revolution in its most recent phases. Anyone who, like some members of that Delegation, is in a position to compare conditions at the height of War Communism in 1920 with those now prevailing under the New Economic Policy will realise at once that reports on conditions even as late as 1921 are worse than useless for arriving at an appreciation of present circumstances. The Russian Revolution is still developing with great rapidity both in its economic, political, and social organisations; but so far as can be humanly foreseen it will now continue to develop along the lines indicated in the following reports. There is no further necessity for, or probability of, another re-orientation such as that of the New Economic Policy, which has made most of the information, based on conditions of War Communism, so misleading.

The British Delegation does not wish to be regarded as apologists for the principles and procedures of Russian Communism—still less as advocates of its adoption in this country. " War Communism " was a product of Tsarism and intervention, and the " New Economic Policy " is a compromise adapted to economic and political conditions in the Union. But misrepresentations as to results of the Russian Revolution have been used as a " red herring " to divert and distract the British people from the pursuit of reforms and reconstructions essential to their own peace and prosperity.

The Trades Union Congress, therefore, feels it necessary to do all in its power to put the British electorate in possession of the real facts in Russia. The object of this report is to enable the British electorate, in the first place, to realise that the Russian Revolution has no real relationship at all to British evolution, and, in the second place, that the present results of the Revolution are represented by a new State, already very powerful and likely to be very prosperous.

As to the equipment of the Delegation for this task it will perhaps be enough to say that in respect of the Trade Union Delegates it was composed of men whose political tradition tended to make them critical of the Communist philosophy and policy, and who had each an expert knowledge

of, at least, one of the branches of industry under inspection. Further, the advisory delegates were men who had had long official training in inquiring into and reporting on foreign countries, and who had a thorough knowledge of the language and of Russia under previous conditions. That these advisory delegates were in a position to get into contact with opposition opinion and to take a point of view other than that of Labour partisans will be evident from an incident mentioned in the report on Georgia.

The public utterances of the Delegation in Russia were naturally concerned with that which it was honestly able to admire and applaud in what it saw of the results of the Russian Revolution. This publication now as honestly conveys all that it found to criticise. It will no doubt be rejected by some readers on the ground that the Delegation's activities were controlled—or even that artificial conditions were constructed for its benefit. As to this the following reports must answer for themselves. It should, it is hoped, be obvious that an inquiry of this character conducted by specialists, though it may, in spite of every precaution, contain mistakes, could not be based on general misconceptions or misrepresentations.

The Delegation was given every official facility for the prosecution of its inquiry—and without such ready and reliable assistance it would have been impossible to have covered so wide a field or to have gone so far below the surface as it is hoped these reports will prove was done. And as, in the present condition of opinion, this official assistance will of itself be a cause of suspicion, the Delegation would add that its conclusions are based on data obtained from source by its own experts, and that in each important particular it has checked the official point of view with that of the opposition.

There was no difficulty in getting contact with opinion of every shade. Each member of the Delegation had an authorisation which enabled him to enter into any Government building, factory, club, hospital, police court, prison, or private house without any guide and without any previous notice. These authorisations were made full use of by those members who spoke the language and knew the country. The Delegation came well provided with means of getting into touch with opposition opinion, and was kept continuously in contact with it. The only case of interference with such communications and the action taken by the Delegation, is dealt with in the report on Georgia. Moscow was not implicated in this, but it showed that had any such case occurred in the Russian Federation it would not have escaped the Delegation's notice.

The object, then, of these reports is to review the advantages and disadvantages accruing to the people of Russia under the new system of Government, and whether the balance either way is tending to increase or diminish.

In this respect the most contentious point is the degree of political liberty for the individual resulting from the recent re-orientations of the Russian Revolution, especially since the abandonment of War Communism.

In this respect, on the point of principle, the Delegation takes note of the assertion of the present rulers that the present administration is a " dictatorship of the proletariat " under the direction of the Communist Party, and that " democracy " as understood elsewhere has no place in it. This amounts to a denial in principle of individual political liberty as hitherto understood. And in practice there is a complete control not only of the Press, the platform and the political machinery, but of the schools, universities, and Army. It is obvious that a political system based on the assumption of such government authority by a minority can be judged best by results. It is with these results, not with the political philosophy of Russian Communism, that these reports are mainly concerned.

A reading of these reports, however, may suggest a conclusion, that is very probably correct, that the control by the Communists of the central authority is not so absolute as is claimed. The present tendency seems to be that the Communist organisation is becoming more and more distinct from the Government, more and more a religion—a sort of State Church with an educational function. The governmental organs and the representative system are moving rapidly along lines that make their central control by a Communist caucus increasingly difficult. In other words, recent developments are towards a " democracy " in the sense of a Government based on the expressed approval of a majority of the electorate, not merely on its tacit acceptance.

The Soviet system at present consists of a series of compromises, most of them in constant change. One of the most striking characteristics of the present regime is its readiness to recognise failure. Should a Communist theory fail to give the required results it is scrapped for all practical purposes as ruthlessly as any Tsarist tradition. On the other hand, should ideas or institutions or individuals associated with the old order prove useful instruments there is no hesitation in using them.

At the same time, the precautions intended to prevent these compromises from carrying revolution right round into reaction have been very carefully elaborated as a result of constant experiment, and have so far been effective. The main safeguards are an absolute control of capital, credit, foreign commerce and concessions; and a supervision of all large private capitalist enterprises through inspectors recruited from the working class operating under experts. Meantime, the Russian Communists hope that education of the younger generation in a collectivist creed and a civic conscience instilled with all the fervour of a religion will remove any risk of a relapse into reaction when the present precautions are relaxed.

Although Russian Communists themselves repudiate any suggestion that there has been a change in the fundamental principles of their political creed, or anything more than temporary tactical retirements, yet it seems clear to the Delegation that the present Communist system has by way of

complicated compromises arrived at a condition that is not Communism, but would be better described as a form of State Socialism or State Capitalism; and this without prejudice to the preaching of Communist ideals and the practice of severe devotion and discipline by those who take the vows. This is the same process that very rapidly took place in the case of other creeds that had originally a Communist character.

The conclusions arrived at by the Delegation as to the main compromises now in force in political, financial, economic, commercial, judicial, and social affairs will be found at the end of each chapter, and a final verdict at the end of Part I. of the Report on Labour Conditions. In presenting these conclusions its members have tried not to be biased by the atmosphere of cordiality and confidence which surrounded them from their arrival in Moscow, or by the attitude of sympathy for, and solidarity with, their fellow-workers in which they left London. They have earnestly endeavoured to present a report such as any body of their fellow countrymen would have made had it had the same facilities. They are well aware that it would have been much better done had the resources of the British Government been available for what is properly a governmental function—the publication of reliable information as to political, social, and commercial conditions of one of the principal European peoples. But no official information has been so published that might counteract the ridiculous slanders by which public opinion is being misled. As, moreover, there can be no peace and progress in European civilisation until the Union of Socialist Soviet Republics is admitted on a basis of general agreement to a free and friendly footing in the community of peoples, the Trades Union Congress General Council has undertaken this task, and its Delegation has endeavoured to carry it out with a full sense of its responsibilities.

GENERAL REPORT

PART I

GOVERNMENTAL SYSTEM

CHAPTER I

POLITICAL

Federalism and Nationalism

The Russian Revolution, after revolving to the left with great rapidity, reached its noon-tide in the War Communism of 1920, and since then has been returning by the right through a series of very complicated compromises. Of these compromises, one of the most interesting, and possibly the most instructive for other States of federal structure, is the combination of nationalism and internationalism, of central authority and local autonomy, achieved in the Union constitution.

The Revolution was originally international in its ideals, but the refusal of other countries to respond to its appeals, and the reprisals of unrevolutionised Governments against the Revolution in the series of raids into Russia, soon gave the revolutionary Government a national character. If the Union still owes much of its structure to internationalism, it now owes most of its strength to nationalism.

But of all European Empires that of Russia was the most variegated in the national cultures of its minorities, and the first effect of the Revolution was to save those minorities from the repression and russification to which they had been subjected under Tsarism. The result was that on the one side there was rapidly developing a novel and highly centralised State Socialism, and on the other new and highly sensitive local nationalities. It was this apparent divergence that was exploited in the interventions of the foreign enemies of the Revolution. Had the revolutionary regime had an imperialist and not an internationalist façade and a bureaucratic, not a socialist foundation, it must certainly have fallen when Koltchak or Denikin advanced to within a few miles of Moscow.

That it did not so fall but was actually fortified by the strain was, no doubt, due to the fact that in a State structure founded on socialist solidarity the nationalist sentiment of minorities can exist and even be encouraged without danger of separatism. The revolutionary regime in Moscow has consequently been able to allow every regional, racial, and religious minority such autonomy as would satisfy the quantity and quality of its national sentiment. The result is an association of more or less

amalgamated autonomous Federations and Republics of as national a growth and as varied a relationship as that of the British Empire; but so far without the frictions and collisions from which the British Empire has suffered and still suffers.

In its first stage the rule of the R.S.F.S.R. and the rôle of Moscow as the central authority were in their undefined character not unlike those of the United Kingdom and of London over the Empire. But as a result of a treaty concluded in December, 1922, the Act of Union of 6th July, 1923, incorporated the four sovereign Soviet Federations in one Commonwealth or Union. The authority of the Union is constitutionally restricted to the powers given by the Act of Union under the contract of these Federations. The autonomies of the subordinate Republics, on the other hand, are restricted to the terms of their concessions from the sovereign Federations. The resulting relationships are very interesting and instructive, but an investigation of them from the material at the Delegation's disposal would lead too far from the main object of this report. An idea of the constitutional interdependence of the various constituents of the Union can be got from the annexed diagram.

Character of the Union

It results therefrom that though the Revolution was Russian the Union is not. The Union is, in its ideal, an international institution. Moreover, not only has any nation outside the Union a right of adhesion to the Union, and any nation inside a right of secession from it, but a worker of any nationality, whether within or without the Union, if he or she is resident in the Union, has, without further formality, all rights of citizenship there. The Union is not Russia but *U.S.S.Ria*. Its Army is not the Russian Army but the Red Army. Its flag is the Red Flag of Universal Brotherhood. Its silver coinage has for device the sickle and hammer, and for motto, " Workers of the World Unite."

That is one side of the shield. The other aspect is that Moscow, in fact, governs the Union, and the same men who rule the Russian Federation rule also the Union. Moreover, the present tendency is towards making the Union, that is, Moscow, all-powerful, while at the same time giving Home Rule to every race or region that asks for it. How can these two policies be carried on conjointly without coming into collision? How can new nationalities in the first flush of freedom after long subjection to repression and russification be got on the one hand to accept, without friction, federal control and on the other hand to accord, without force, full autonomy to their own cultural minorities?

The Ukraine

The Delegation had an opportunity of getting an answer in Kharkov, the capital of the Ukraine. Kharkov is the most prosperous industrial

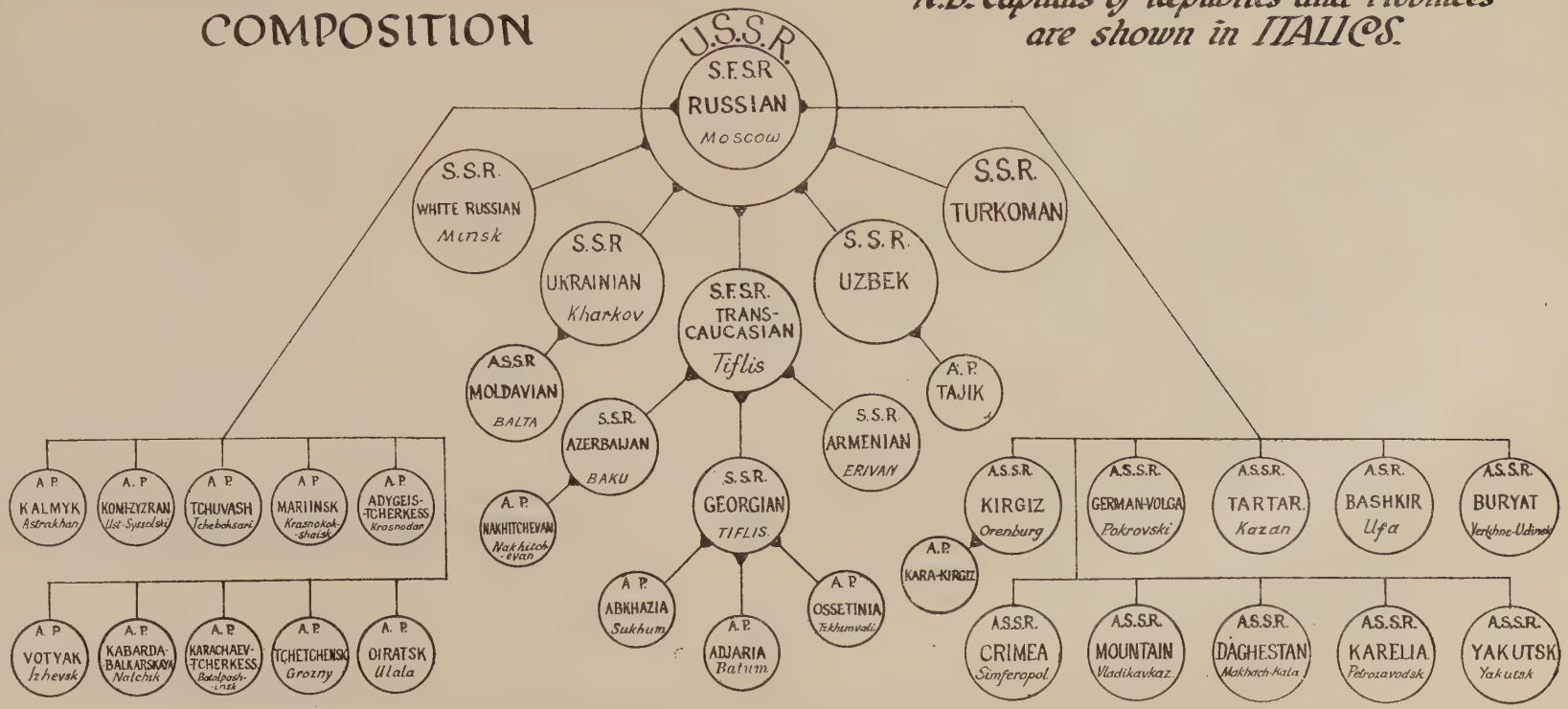
UNION OF SOCIALIST SOVIET REPUBLICS

DIAGRAM SHOWING THE POLITICAL GEOGRAPHICAL COMPOSITION

ABBREVIATIONS

S.F.S.R. Socialist Federation of Soviet Republics
S.S.R. Socialist Soviet Republic [Independent]
A.S.S.R. Autonomous Socialist Soviet Republic
A.S.R. Autonomous Soviet Republic
A.P. Autonomous Province

N.B. Capitals of Republics and Provinces are shown in ITALICS.



Capitals of some newly-formed Republics and Provinces are not yet finally determined.

town of the Ukraine, itself the most prosperous region of the Union. The Ukraine, or, as it used to be called, Little Russia, is also the centre and source of the music, poetry, painting, and craftsmanship, of the costumes and customs, that represent for us Russian culture. It is proud of this cultural superiority to Great Russia, White Russia, and the other regions, and is profiting fully by its new liberty to develop its language and literature. In Kharkov, therefore, if anywhere one might expect to find a separatist sentiment. All the more that Communism is not congenial to the Little Russian temperament and tradition.

But Kharkov did not seem jealous of Moscow. Perhaps the bullet-splashes and shell-holes of foreign efforts to exploit such a sentiment were still too recent. Perhaps because the Ukrainians after being bullied for centuries by the Tsars for singing their national songs and indulging their national sentiment are very well satisfied with their present bargain with the Union.

The bargain between Moscow and Kharkov seems in itself sound, and satisfactory to both parties. Its terms are evident from the moment of stepping on to the station platform, where all notices are printed bilingually —Russian in black and Ukrainian in red. Its economic terms become evident in the streets where private trading greatly predominates over that of the Government trusts and co-operatives; though out of polite consideration for Communist susceptibilities much private trading is thinly disguised by two or three partners constituting themselves as a co-operative. The bargain is perhaps most evident in the schools and theatres, which are revelling in a regular orgy of national sentiment.

In return the Ukrainian has no objection to an efficient Red Army securing him against being again ravaged by a reactionary Denikin or a Wrangel or a Petliura. For he has his own magnificent mounted militia in huge shaggy caps and long frogged coats keeping Ukrainian order in Ukrainian streets. The Union collects his taxes and returns him what it can. But he has his own Budget and local revenues to spend on local objects. If his clothes cost him more than in Moscow, his food is cheaper. He works in his factory from eight to two, and after dinner can, if he likes, attend an art school free, which undertakes in three years to teach him to get his living by some art or craft. The night the Delegation was there he could choose for his entertainment between a lecture by Karl Radek (of the Third International), on Leninism, a performance of the no less international "Charley's Aunt," or a highly-national ballet, with topical songs in which jokes about the Soviet system were discreetly veiled in Ukrainian.

Kharkov is to Moscow somewhat as Munich is to Berlin, but instead of being like Munich, a centre of separatism and reaction, it is making a cultural contribution to the Union that will become one of its strongest

bonds. All the same Moscow prefers that the Ukrainian capital should be at Kharkov with its industrial proletariat rather than return to the historic capital in agricultural Kiev. For in Kiev, a market centre of large farmers. one of the Delegation found there would be some " kulaks," who, if they no longer feared a fourth occupation by the Whites, might welcome a third evacuation by the Reds.

This success in satisfying national aspirations without sacrificing central authority is in respect of the Ukraine and the principal minorities, the main defensive bulwark of the Union. In respect of other minorities it may undoubtedly become a bastion, not without menace to less successful neighbours. The visit of the Delegation coincided with the creation of several new autonomies, many of them with a significance extending beyond the frontier of the Union. Those in Central Asia could not be brought under investigation and are, therefore, not referred to.

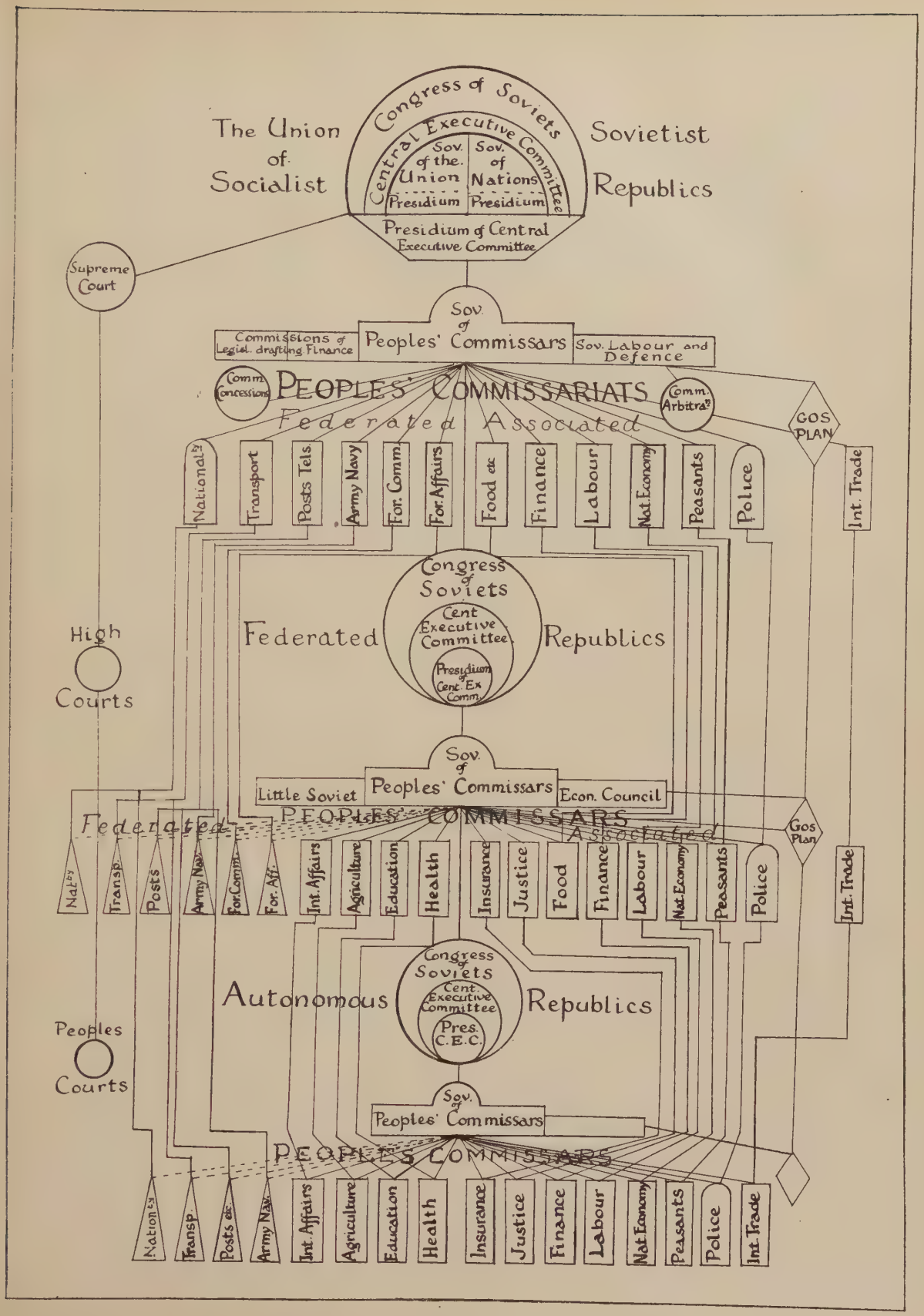
Moldavia

But the Autonomous Republic of Moldavia, founded on December 1st, was visited a fortnight later by one of the advisory Delegates. It was found that the establishment of this little Moldavian Community with its population of half-a-million or so, on the borders of Bessarabia was not, as had been supposed, a diplomatic manœuvre of Moscow, but a local appeal to, and application of, the right of such a region to Home Rule. It was remarkable, in the first place, that though the establishment of this A.M.S.S.R. involved the separation from the Ukraine of a territory of some strategic and economic importance, and the secession of a considerable Little Russian population, yet there was apparently no opposition at all in Kharkov to conceding the claim. It was also very recognisable, in the second place, that the existence of this free Moldavia developing its own national culture and communal life, must make a very compelling appeal to the kindred population of the neighbouring province of Bessarabia, at present held down by a military occupation of a highly martial character.

With one possible exception—that of Georgia—which is dealt with in a separate report, the Union structure appears to allow a measure of liberty to national minorities that compares very well with that of any other State.

Jews in the Soviet State

There has been a persistent effort made to represent the Soviet system as rather Jewish than Russian. Jews are, of course, prominent politically, as they are in all successful and well-established societies. But neither the ideals nor the institutions of the system are Jewish, and such influence as Jews exercise under it is due to their intelligence and competence as public servants, not as elsewhere to their capacity for accumulating private wealth and controlling the machinery of capital and credit. On the international side of Communism, such as the Comintern, Jewish employés are numerous,


The Union of Socialist
Congress of Soviets
Central Executive Committee
Sov. of the Union
Sov. of Nations
Presidium
Presidium
Presidium of Central Executive Committee
Sovietist Republics
Supreme Court
Sov. of Peoples' Commissars
Commissions of Legisl. drafting Finance
Sov. Labour and Defence
Comm. Concessions
PEOPLES' COMMISSARIATS
Comm. Arbitrage
GOS PLAN
Federated
Associated
Nationality
Transport
Posts Tels
Army Navy
For. Comm.
For. Affairs
Food etc
Finance
Labour
Nat. Economy
Peasants
Police
Int. Trade
High Courts
Congress of Soviets
Cent Executive Committee
Presidium of Cent. Ex Comm.
Federated Republics
Sov. of Peoples' Commissars
Little Soviet
Econ. Council
Federated
PEOPLES' COMMISSARS
Associated
Gos Plan
Nat'ty
Transp.
Posts
Army Nav.
For. Comm.
For. Aff.
Int. Affairs
Agriculture
Education
Health
Insurance
Justice
Food
Finance
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Nat. Economy
Peasants
Police
Int. Trade
Congress of Soviets
Cent. Executive Committee
Pres. C.E.C.
Autonomous Republics
Peoples Courts
Sov. of Peoples' Commissars
PEOPLES' COMMISSARS
Nationality
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Int. Affairs
Agriculture
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Health
Insurance
Justice
Finance
Labour
Nat. Economy
Peasants
Police
Int. Trade

as is natural enough from their special qualifications. But in the Commissariat of Foreign Affairs they have lost most of the prominence they held in 1920.

In respect of their religion, Jews enjoy an equal tolerance with other religions, and, as will be described later, liberty in respect of religion is much greater not only than before the Revolution but than in many European countries. For example, the Salvation Army is now free to work there.

Constitutional Rights

The question of political liberty is one of greater difficulty. The Delegation finds no confirmation of the allegations frequently made that the present Communist regime has deprived the Soviet system set up by the Revolution of all representative character and real vitality. The Soviet system, that is government by committees representing every real relationship, whether political, occupational, or regional, is a spontaneous form of organisation that emerges in contemporary revolutions. Attempts to associate it in Russia with the *Mir* or Village Commune and the *Artel* or Craft Union are fallacies. And in Russia as elsewhere this primitive revolutionary organisation, if it was going permanently to replace the previous governmental structure, had to go through a rapid process of elimination of the unnecessary and evolution of the essential. This process of converting an eruption of primitive organisms into the elaborate governmental organisation required by a modern community is being successfully worked out in Moscow. The Soviet system has not lost vitality by being brought nearer to maturity.

The Soviet governmental structure will not be dealt with in detail by this report. It has been fully described elsewhere; and is so fundamentally different from other States that a superficial review serves no useful purpose. It must be enough to say that the peculiar principles of its structure, such as the fusion of executive and administrative functions and the foundation of all authority on indirect election, do not of themselves account for the autocratic authority of the present rulers. On the contrary, the Soviet system permits a perpetual change of personnel and of policy without the periodic pendulum swings of party politics. It is not to be supposed that the policy of the Union Government remains the same because there has been no general change of politicians or that the politicians remain unchanged because there is no change of party. A glance at the accompanying diagram of the governmental structure will suggest that such a new and strange organism will operate in an unfamiliar manner.

Franchise

The franchise is given to all above 18 without distinction of sex or religion, or even nationality. It is restricted theoretically to those who work, which includes soldiers and women houseworkers. Practically it is

universal suffrage subject to certain exclusions, such as employers of labour, those living from unearned income, private traders and their agents, priests and monks, lunatics, criminals, and the other usual disqualifications. The franchise and electoral system in Russia can better be understood by approaching it from the point of view of the British Trade Union arrangements than from those of a Parliamentary system.

Elections

The procedure of election was first generally regulated by decree of August 31st, 1922, and the actual practice seems still to vary very considerably. Urban, Provincial, District, Parish, and Village Electoral Committees of three members are appointed, representing equally the local authorities and Trade Unions, under a chairman appointed by the superior Electoral Committee. These committees are in charge of the election, and draw up a register of those disfranchised, which is published a week before elections. Protests against disfranchisement must be immediately dealt with by the competent superior committee. The election is carried out in an electoral meeting conducted by the committee or its agents, and organised for each factory, group of villages, or Trade Union branch. The representative of the committee announces the name of the candidates, and voting then takes place by a show of hands or by ballot, and by party lists or by candidate, as may be decided by the Provincial Electoral Committee. This decision was made, previously to the existing regulation, by the meeting itself, and the actual procedure varies very considerably. A show of hands is the most usual method, but in several towns, for example, Orenburg and Kostroma, voting is reported on good authority to be by ballot. Investigations into local elections at Odessa showed no other procedure than show of hands. On one occasion candidates were asked to leave the room during voting; but this was subsequently disallowed. The fact seems to be that conditions of election in Russia are so different in the absence of any possibility of economic pressure on the electors, that there is no demand for secrecy. If an organised opposition to Communism should develop, this demand may have to be met. But the whole electoral system gives the impression that it is at an early stage of development. There does not seem to be anything to prevent any locality from developing it along the lines followed in partisan electoral systems. (Thus in some towns, for example, Orenburg, the voting is said to be conducted on a system of proportional representation.) If less than half the electorate vote, the election is cancelled and held again. On the second occasion, it is final whatever the total vote.

An inquiry was made into the results of local elections in the Odessa Government by an advisory member of the Delegation then present at Odessa. The results in the elections for Odessa Town Soviets showed an increase of Communists and of women. Thus out of 910 acting delegates 530 were

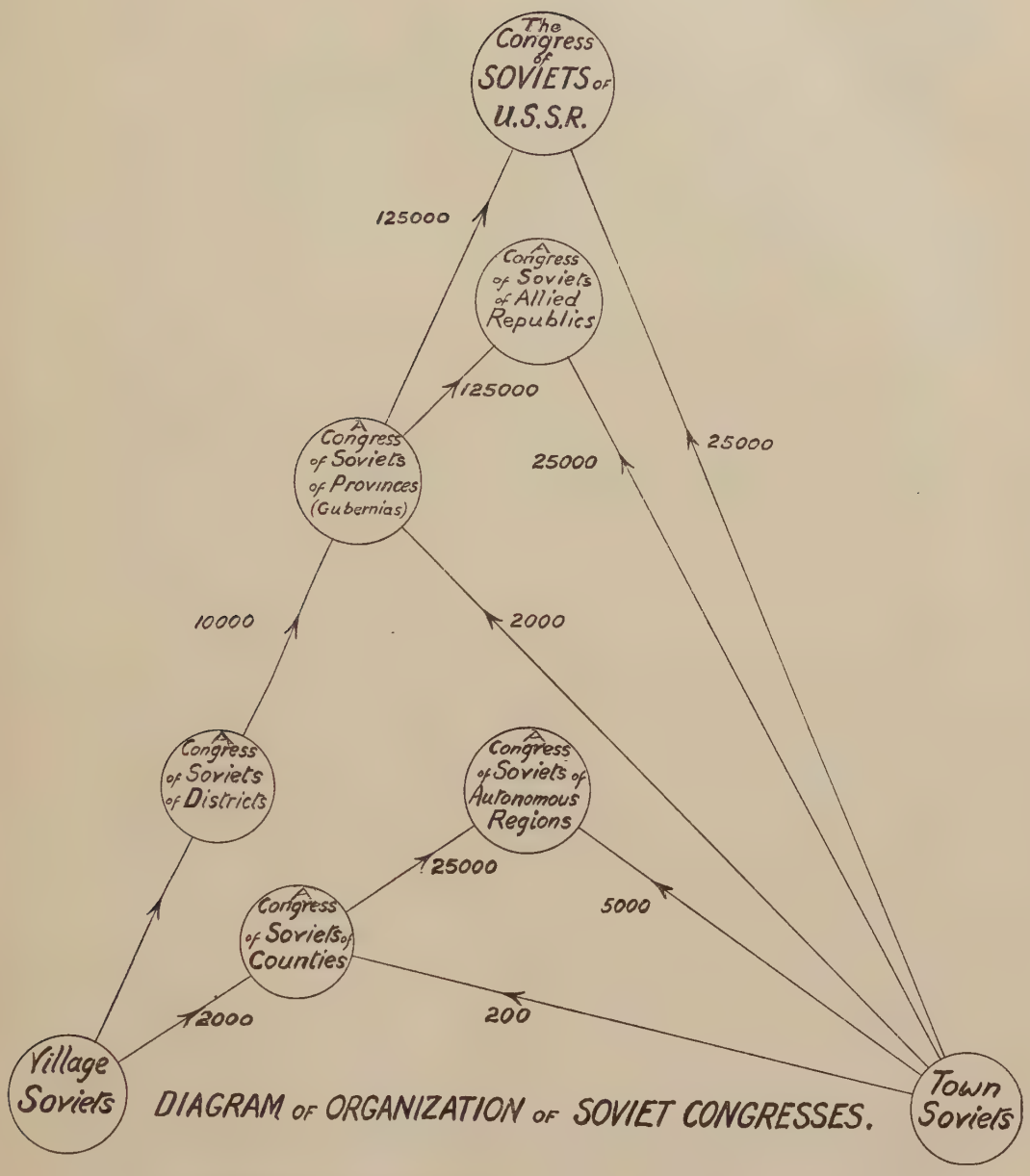


DIAGRAM OF ORGANIZATION OF SOVIET CONGRESSES.

N.B. *One Delegate for the number of town electors and rural residents shown on lines.*

Communists, 335 non-party, and 45 Young Communists, while 175 were women. Of the 319 substitute delegates, 111 were Communists, 174 non-party, and 34 Young Communists, while 169 were women. Voting was nearly always by list prepared by the factory committee or local committee—which were Communist. But there was no hesitation in rejecting candidates thus recommended, in favour of non-partisans.

In the rural elections there was said to be a marked increase of interest since last year, about half the electorate attending the electoral meetings, which is satisfactory in view of the season and distances sometimes involved. The list was at least on one occasion the subject of lively discussion, many amendments being made. The numbers of women elected rose from 7 per cent. last year to 16 per cent., and in some cases was as high as 25 per cent. The percentage of Communists rose from 10 per cent. to 15 per cent., and of soldiers from 1 per cent. to 4 per cent. About half the delegates were re-elected. There was a larger number from the poorest peasantry, the percentage of middle peasants elected falling from 33 per cent. to 20 per cent. No general discontent with the system of elections could be found among the peasants, though points of detail were criticised. And there was evidence of a realisation that the object of the present system was to teach them to govern themselves.

Representative System

Political representation in Russia has developed into a very complicated system of indirect election from local to central congresses with cross connections. It would require a volume to deal adequately with its development. Many such have been published, and it can only be indicated here by the annexed diagram. Examination of its workings suggests that the traditional objections to indirect election in a parliamentary system based solely on regional representation do not apply for the most part to occupational representation as under the Soviet system. Vitality in the electoral function is retained through all the supervening stages by the close connection of that function with occupational activities. The candidates are chosen on their occupational as well as on their political merits up through all the stages of the pyramid. The candidate appeals to the electors on the record of his services, and is ruthlessly rejected if they are insufficient or unsatisfactory, whether he is a Communist or not. And though the system does tend to keep the same men permanently at the top, yet it also keeps them in continuous and close contact with the electorate. Moreover, though the same Government seems to be permanently in power, there is a perpetual penetration of the administration by new men who are the results of promotion by merit. The rulers of the inner ring remain in power because of the tacit consent of a great majority of the electorate and the active support of that motive force of the whole machine—the Communist Party.

Communism

But the Communist Party is itself changing its character. The New Economic Policy has made quality more important to Russian Communism than quantity. Until then the party was in reality not only the motive force, but an important mechanism of Government. But thereafter it has become an organisation for the promotion of a policy and the preservation of principles that are distinct and may become different from the policy and principles of the Government.

The Comintern

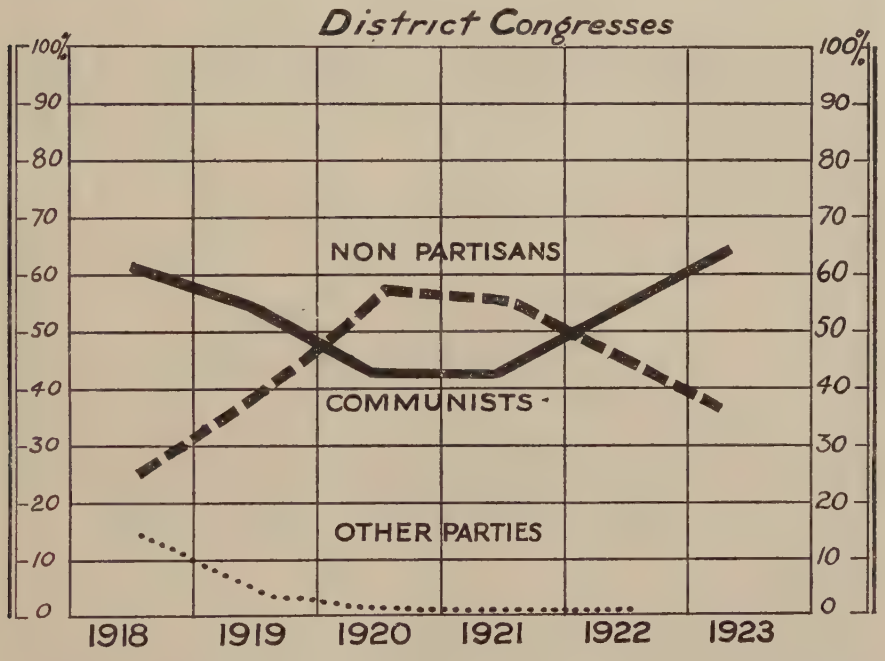
This is especially noticeable in the relations between the point of view and policy of the Communist International and those of the Commissariat of Foreign Affairs. The Delegation had peculiar advantages for arriving at an appreciation of both ; and for assessing the necessary difference, and even divergence, between the proselytising and propagandist policy of the Comintern and the practical real-politik of the Commissariat. The function of the Comintern is to keep to the front the internationalist creed of Communism and the crusade for revolution. The Commissariat is concerned with the renewal and maintenance of friendly relations with foreign Governments. The results seem to be reminiscent of the familiar friction between Foreign Missions and foreign missionaries. Indeed, just as Communism in one aspect can best be understood in its origin as a new Religious Order of devotion and discipline, so it may possibly be that the future of the Comintern is not so much as a publicity department of a political party as a preaching order. The emissaries of Lenin may have a future not unlike the missionaries of Loyola.

The Communist Party

It is in this direction that the present policy of the Communist Party appears to be tending. Under War Communism an effort was made to embody the whole electorate in the Communist Party. The New Economic Policy, however, made it obvious that if the principles of the Revolution were to be preserved the party must to a certain extent dissociate itself from concessions and compromises so as to preach, and as far as possible practice, pure doctrine. This led to the present conception of Russian Communism as a nucleus composed of stalwarts who survive a severe probation and periodic "purges." This nucleus vitalises a mass of non-partisans; who apparently contentedly accept the status of a line regiment from which the best men are continually being drafted into the Communist guard. The non-partisan is, however, now given a fairer chance of election, and even of official employment, outside the highest and innermost circles. He predominates sometimes, as the diagrams show, in the lower strata of the political structure and penetrates individually to all but the highest. He is aided in this by the readiness of the Communist rulers to employ anyone who may be of

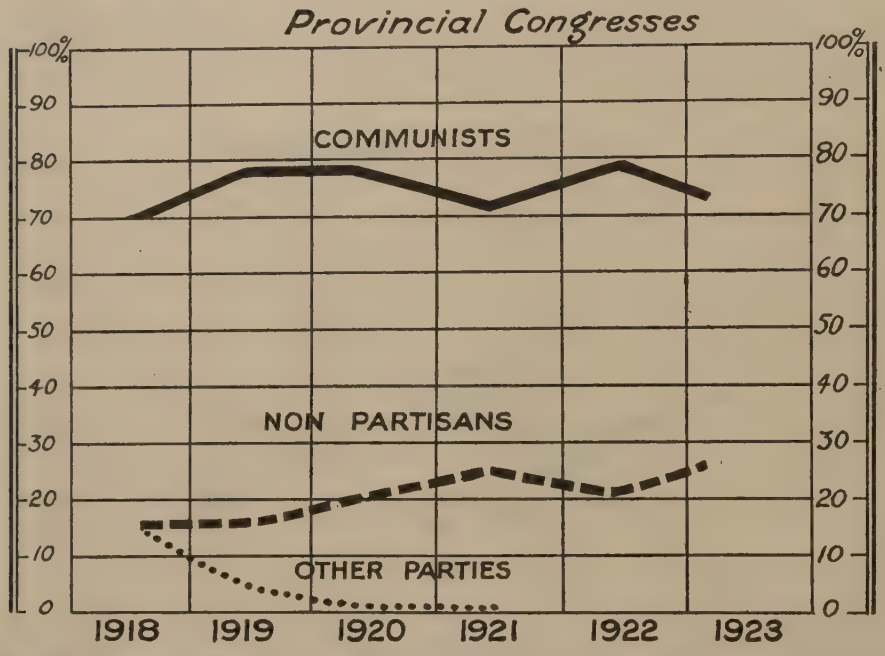
practical use regardless of politics. If a " White " general, who was Wrangel's Chief of Staff and was notorious for wholesale executions of Communists, is now controlling the General Staff, ex-Social Revolutionaries and Menshevists who as non-partisans hold posts under the Government need not renounce any ambitions. And the jealousy of Communists among non-Communists obvious in 1920 does not seem noticeable to-day.

The Russian Communist conception of Communism as a " nucleus " or " cell " (yatchëika) not only expresses the present position of the party within the body politic, but also the policy of the party within the proletariat. The party no longer relies on mere accretion. It works by leavening the lump through a " nucleus " in every factory and, theoretically, in every village; though in villages the Communist " centre " is often non-existent or dormant.



The party is made up to about half of industrial workers, the other half being divided between employés and peasants, rather more of the former than the latter, and with the latter yearly decreasing. Admission to membership and retention of it are now a matter of prayer and fasting. Proletarians and peasants must pass a probation of six months as candidates and be vouched for by two members. Others must remain candidates for two years and get six guarantors. Members are tested every year or so by oral examination, about 10 per cent. being eliminated. Any anti-Communist action entails

expulsion, such as a religious marriage, circumcision as a religious ceremony, and so forth. The Communist Party now prides itself on the annual reduction of its membership as much as it previously did on its increase under War Communism. The total membership rose from 23.6 thousand in 1917, 115.5 in 1918, 280.5 in 1919, 431.4 in 1920 to 585.6 in 1921. Since then it has fallen to 401.3 in 1922, 373 in 1923, and 350 thousand in 1924. Anyone who has seen a Communist after being under viva-voce for several hours in his annual examination will find him in a state of exhaustion and anxiety such as few Civil Service candidates experience. The devotion and



discipline exacted from him while in the party are such as few public servants would endure.

Possibilities of Party Government

Such an organisation might enable the governmental system to retain its vitality without the usual stimulus of an official opposition. For all opposition is as yet silenced. But the need of it is not so much felt owing to the extraordinary candour and criticism of those conducting affairs, and their readiness to conform their policy to new requirements of the moment. The constant elections and discussions at congresses keep those in power in touch with opinion; while the continuous stream of official publications and pronouncements keeps opinion informed of any defects that may develop in the system and of the proposals for reform. In fact, the critical functions

of an opposition both in the Press and on the platform are largely performed by the Government itself. The speeches of political leaders are generally critical lectures on economics, not the appeals to passion and partisanship that are found necessary elsewhere.

It is conceivable even to those whose political experience is entirely based on a party system of Progressives and Conservatives, that a Government might keep itself alive and active on these lines. But it is, perhaps, more probable that Russian Communism will again compromise with conventional politics by developing a two-party system and a constitutional opposition. So long as Lenin was alive his ability and authority were sufficient to force upon what may be called conservative Communism such necessary concessions as the New Economic Policy. But there is now no personality big enough to fill the functions of an opposition party and compel a conservative clique to meet the requirements of the matter and the moment. Up to 1920 there still survived the relics of a recognised opposition in the Menshevists and a section of the Social Revolutionaries. But this opposition was made illegal during the height of War Communism. And there is now no prospect of an opposition developing from a readmission of Menshevists and S.R.'s to constitutional co-operation. The rank and file of these parties have, one way or another, joined the majority, and the leaders that are left in exile or in prison are too embittered to be of any future use. Organised opposition must under present conditions come from within the Communist Party itself.

The Growth of an Opposition

The party is quite aware of this possibility. Up to now its policy has been to maintain unity at all costs. In this it has so far been successful. Thus at the Seventh Party Congress there was an opposition of over one-fourth in respect of the Brest-Litovsk Treaty. In the Tenth Congress of 1921 there was an opposition of one-eighth in the controversy as to the future of Trade Unionism. At the Thirteenth Congress there was no declared opposition at all, which desired result was reached by previously reducing the ranks of the party by one-third.

But the present controversy between Trotsky and the Communist Old Guard suggests that an official opposition may be in process of formation within the party. Trotsky, who only joined the party just in time to take a prominent part in the October Revolution, represents liberal non-conformity as against die-hard communism. He represents the point of view of the more intellectual and independent non-partisan elements and also of the younger and more progressive members of the party. So far the points on which he has come into collision with the conservatives are only significant to those well acquainted with Russian political conditions, and his position on such issues seems generally to have been unsound. But it would appear that we have in his independent initiative the embryo of an

opposition whose business it would be to oppose and to get power by any constitutional means.

No immediate development of this sort is, however, to be expected. The whole Press is against this movement, there is no popular issue at present involved, and the appeal to maintain party unity will for some time be too strong to be resisted. Trotsky has been ordered by the party to resign his government office, has loyally accepted the decision, and the incipient rift in the party has been closed. But good Communists, not followers of Trotsky, are prepared to admit in confidential conversation that this closuring of all independent and individual initiative has been a mistake. They also are prepared to admit that there is a tendency of the Communists in control to become conservative, and that some provision must be made to represent more progressive points of view. It seems probable that if the Communist organisation is to remain the driving and directing power of the State it will have to divide between a conservative point of view that is practically reactionary in its ideal of reviving a regime of War Communism and a progressive policy that will be radical in its search for new solutions and new settlements.

Amnesty and Political Prisoners

The Delegation, concerned as it was with restoring friendly relations between the British and Russian peoples, lost no opportunity of putting before those in authority the advantages that would accrue abroad to the present regime from a generous amnesty. It found an appreciation of its arguments, but an apprehension lest such clemency might lead to further bloodshed. It was given an opportunity of a free conversation with the most dangerous opponents of the present Government now in prison—the Social Revolutionary leaders condemned to death two years ago and since then confined in the Boutirka. This conversation was held with the prisoners in a body in the corridor on to which their rooms opened, and not within the hearing of any Government official. It was evident from it that the prisoners would reject release on any condition restricting their future liberty of action. Also that the present conditions of their confinement were (in consequence, they said, of a hunger strike) as good as those of first-class misdemeanants in England. One of them who had had experience of Tsarist prisons prided himself on the superiority of the Socialist Boutirka. In fact, the only alleviations of their lot they could suggest was permission to get foreign Labour papers—they being at present restricted to the " bourgeois " Press. This hardship the Delegation succeeded in removing. But the Delegation did not feel, in the circumstances, that it could take the serious responsibility of pressing for the release of such irreconcilables. It is, however, still of opinion that even with these men and women, clever and courageous though they are, as they are now quite without a following in Russia and without a practical

programme, their exile would be less prejudicial to the present Government than their further confinement; and that clemency would be even more wise in less important cases.

The Delegation came to Russia fully informed as to the reports in circulation concerning conditions among the political prisoners confined in the old Solovyetsky Monastery in the White Sea. A suggestion that the Delegation should send a deputation there met with no opposition; but it was found to be a season at which the island was inaccessible. All recent correspondence from the prisoners was offered for inspection, and should a Labour Delegation wish to undertake next spring the long journey thither every facility will be given it. The Delegation cannot therefore express an opinion as to the truth or falsity of reports and rumours it has been unable itself to investigate. But it took every opportunity that offered of pointing out the disadvantages of imprisoning political offenders in places that give colour to such reports.

"Reign of Terror"

As to the persistent assertions in the Press that the present regime in Russia is a " reign of terror," the Delegation would wish to put on record its conviction that this could not be honestly believed by any unprejudiced person travelling within the Union and talking to its citizens. A government established by armed revolution and calling itself a " dictatorship " will be suspect of having no sanction but force long after this has ceased to be the case. And there is certainly often a reluctance to resist either men or measures put forward by Communists that is inspired more by apprehension than affection. But it is hoped that this and the following chapters will at least suggest that a regime as therein described could not possibly be based on a " reign of terror."

General Conclusion

Finally the Delegation is of opinion that the Soviet system of representation and its scheme of constitutional and civil rights, so far from being undemocratic in the widest sense of the word, given in many respects to the individual a more real and reasonable opportunity of participation in public affairs than does parliamentary and party government. In other respects, such participation is still severely restricted. For the system has as yet been kept under close control by its originators with the tacit consent of an immense majority of their fellow electors. This consent can be accounted for partly by the energy and efficiency with which these leaders carried the country through one crisis after another, and partly by loyalty to the pioneers of the Revolution. But this permanence in power is a result of past circumstances, not of the present constitution. Under that constitution there are certainly as great—and possibly greater—possibilities than elsewhere in respect of popular government, political peace, and social progress.

CHAPTER II

FINANCE

Russian Credit before the Revolution

The Russian national bankruptcy was not, as is generally supposed, a consequence, but rather a cause of the Revolution. The fiscal relationship of Tsarism to the Russian taxpayer and its financial relationship to the foreign creditor had become almost as bad as that which resulted from a similar recourse to foreign money lenders by oriental despotisms in Turkey, Egypt, and Morocco. Tsarism was approaching bankruptcy long before the war; though Russian credit abroad was still maintained by foreign financial groups, who promoted Russian loans and passed on the liability to a public ignorant of the political instability and financial unsoundness of the Empire. A process which would, as elsewhere, have ended before long in the foreign creditor losing most of his investment and in the Russian taxpayer being put under a foreign receivership to pay for the follies of his rulers.

Currency before the Revolution

But up to the war this process had not gone so far as to affect the currency. Paper money in Russia was issued under restrictions more rigorous than elsewhere, having to be covered to one-half in gold reserve up to a total issue of 600 million roubles, and wholly covered by gold above that amount. This system, however, as elsewhere, gave way to the exigencies of war. The Imperial Bank was given the right of emission, without reference to gold reserves, within restrictions that were being continually reduced. The growing deficit in the budget was covered partly by this means and partly by borrowing. By 1917 the Russian debt reached 17 milliards gold, of which about half had been borrowed abroad. The deficit by 1917 had risen to 25½ milliards paper, of which three-fourths was being paid by the issue of paper money.

By 1916 the limitation on the issue of currency had been raised to 6½ milliards. The paper currency was inflated from 1,317 in 1914 to 2,670 in 1915; to 3,480 in 1916, and to 16,403 at the date of the Revolution—against a gold reserve of 6.8 per cent. The usual results of inflation followed, and

the rise of prices soon became serious. Already before the Revolution the currency had been depreciated by two-thirds. This, though small in figure compared to the future depreciation after the Revolution to one five thousand millionths, was in effect far more fatal. For it started the usual vicious circle revolving—the greater the mass of money issued, the less it was worth and the more was wanted. There were present before the Revolution all the usual symptoms of the latest stages of excessive inflation. Production, at first abnormally forced, inevitably fell; and the whole national economic existence was passing from a stage of fever to that of torpor. Russia was not only so bankrupt before the Revolution that it could never hope to carry the burden of the debt it had accumulated, but it was already economically paralysed by currency depreciation.

Revolution and Finance

This was the financial situation for which the Revolution had to find a remedy. And under conditions of Revolution it was in any case inevitable that the situation must get worse before it could be remedied. The principles of sound finance cannot be observed during war, and the Revolution involved Russia in foreign war, in civil war, and in class war. The financial effects of these foreign and civil wars need not be gone into in detail. For owing to the responsibility incurred by Foreign Powers the estimates of pecuniary damage caused to Russia by civil wars have already been published by the Russian Government in the course of negotiations for the settlement of mutual claims. But the damage caused by the class war was of a different and more novel character. It was not expressed in incidental destructions and disorders that could be estimated in terms of money. It was expressed in a deliberate and determined attempt by those conducting the Revolution to destroy the institution of money itself as well as its influence over the social system.

War Communism and Finance

War Communism was brought to making this attack upon money by two inter-connecting influences. One was the desire to abolish money as being the principal means for accumulating private capital, and the other was the difficulty of restoring a stable unit of exchange out of the chaos of different and more or less hopelessly depreciated currencies that the Revolution had inherited from the war. And, as nationalisation of trade and property developed until the free exchange of commodities was almost eliminated, the function of money as a medium of free exchange diminished. Until finally War Communism came to the conclusion that the best solution, both in principle and practically, would be to do without money altogether; and that the best means to that end would be to let it depreciate itself out of existence.

The idea which was inspiring the leaders of the Revolution when the previous Delegation visited Moscow in 1920 was that of reconstructing the national economy as one great co-operative of consumers and producers, of which the economic exchanges would be merely a matter of bookkeeping through central and local clearing houses. Under the decree of the 7th of May, 1918, all pecuniary revenues and resources of the nationalised institutions were to be paid into the National Bank or the Treasury—all other payments being made by cheque or draft, and only small sums being retained for current accounts. All manufactured products issued were credited to the competent Head Centre (Glavprom), and all raw materials drawn were debited to the enterprise concerned—the accounts being subsequently balanced and cleared if necessary by a subsidy. This system was gradually developed until it included over four-fifths of all urban production and consumption, and reached its limit in a decree of the 6th January, 1920, which extended it to the co-operatives.

As War Communism developed, more and more strenuous efforts were made to set up a mechanism that would carry out this immense task. The decree of January 19th, 1920, converted the National Bank into a central accounting department, and the paper money which was then issued was known officially as accountancy certificates (Raschetny znak). The decree of 18th June, 1920, proclaimed a policy of " converting the national budget into a budget of unified economy for the whole State, and establishing a national accountancy without money in order to abolish the whole monetary system." Moreover, in view of the continually depreciating values of the ordinary currency, it was decided under decree of January 10th, 1920, to take as a basis of the national accountancy a unit expressing man-power instead of money. A Commission was still at work on this exciting experiment when in 1921 the whole adventure of War Communism was abandoned.

War Communism and Revenues

One result of thus boldly breaking up the whole system of monetary exchange was that the fiscal machinery broke down. During 1918 and 1919 efforts were made to adapt the incidence and collection of taxes and revenue to the new system. As late as 18th June, 1920, a resolution of the Central Executive Committee was inspired by this reformist policy. But soon after, the ordinary collection of revenue was practically abandoned and it was formally abolished by decree of February 3rd, 1921, on the eve of the New Economic Policy. In 1918 the revenues from taxation were estimated by competent authority (Golobanov, " By New Roads "), as being still 153.2 millions in value reckoned by the index. In 1919 this had fallen to 10.2 million, and in 1920 to 0.2 million. While with the abandonment of War Communism that winter, it was restored in 1921 to 3.7 million.

Communism and Currency

Meantime nationalisation was never brought to a point at which money could be completely ignored in the budget. And the only means of providing such money as was still required was the issuing of paper currency. A decree of the 15th May, 1919, authorised such emissions without any restrictions, and the issue of fresh paper under such conditions caused, of course, a disproportionate depreciation. In the 32 months of War Communism we find the nominal amount of currency issued increased a hundredfold. The consequence was that as the nominal amount of money increased, the real amount decreased, as also did the revenue received.

Communism and Budget

It was hoped that by the time the currency had fallen to a point at which it would be less in value than the paper it was printed on, the new money-less mechanism would be working. But it never did work. It will, indeed, now probably never be known what measure of success was really achieved in this Utopian undertaking of organising, in the general public interest, the whole economic exchanges between production and consumption in a country of the area and population of Russia. For all efforts, so far, by Russian economists to find out how far the general economic plan and the system of clearing houses and central accountancy was carried into effect, have failed to produce any clear results. As one such economist observed (Larin, " Roads to Currency Reform," page 17): " The figures of the budgets in the years 1918-1921, only served to illustrate certain interesting tendencies." Subject to this caution the figures are herewith given, together with those of the Tsarist War Budgets:—

TSARIST WAR BUDGETS

(Million roubles.)

	Expenditure.	Revenue.	Deficit.	Per cent. of deficit to total expenditure.	Per cent. deficit covered by currency.
1913...	3,883	3,431	452	11·6	—
1914...	4,859	2,961	1,898	39·1	—
1915...	11,562	3,001	8,561	74·0	31·0
1916...	18,101	4,345	13,756	76·0	25·0
1917...	30,607	5,039	25,568	83·5	73·0

SOVIETIST WAR BUDGETS

(Million roubles.)

	Expenditure.	Revenue.	Deficit.	Per cent. of deficit to total expenditure.	Per cent. deficit covered by currency.
1918...	46,709	15,580	31,129	67.0	94·0
1919...	215,402	48,959	166,443	77·0	102.0
1920...	1,215,159	159,604	1,055,555	87·0	89·0
1921...	26,076,816	4,139,000	21,937,816	84·0	63·0

Restoration of Money

With the introduction of the New Economic Policy and the gradual re-establishment of free exchange, money as a medium of exchange became indispensable. But the whole process of return to normal conditions lasted over two years, during which several attempts were made to escape recourse to money by experiments in commodity currency.

The first concession from War Communism in finance was made to the Co-operatives, which under decree of June 10th, 1921, were allowed to dispose of their own funds. This was then extended to private persons (the 30th of June), and finally to the State enterprises (August 16th). The restoration of the right of free internal trade and the reconstruction of economic enterprise, both public and private, on a business basis, brought back a general system of money payments. A decree of August 5th, 1921, made money payment obligatory for all supplies from or services by State enterprises. Herewith went naturally the restoration of taxation, which took the form of an income tax and excises on wine, tobacco, coffee, and such usual sources of revenue.

Restoration of Budget

The first attempt to restore a normal financial system was the " experimental budget " for nine months of 1922, which had, however, to be three times revised. The budget for 1922-23 was scarcely less hypothetical, and the first budget whose figures had any real relation to facts was that of 1923-24. (Financial year begins on 1st October.)

The task of bringing order out of chaos was formidable; for the whole financial and fiscal system had to be rebuilt on fresh foundations. In 1922 the budget was still being based up to four-fifths on commodity exchanges, not on currency payments. On the other hand, it was useless to try to revive the pre-war financial and fiscal system, which had in the first place entirely disappeared, and in the second place was not adapted to the new conditions. Consequently, not only every principle but every practical detail had to be worked out afresh as a compromise between Communist theory and the force of circumstances. These compromises were a far more severe test of the ability and the authority of the leaders of the Revolution than had been their preceding more ambitious attempts to liquidate the legacy of debt and depreciation left by the war.

The restoration of the budget to a business basis was further complicated by the continued depreciation of the currency, which necessitated a monthly revaluation of the rouble with reference to its buying value in 1913. This was accompanied by periodic revaluations of the various emissions of paper currency, some of which were entirely devalued—such as those issued by reactionary regimes—while others became devalued gradually.

Collapse of Currency

Meantime the printing press had again to pay the budgetary deficit and tide over this second transition. The nominal amount in circulation in January, 1923, just before the reform, was just under two thousand million millions. If the nominal value of this amount be converted into real value we find that the Government succeeded in obtaining by this means revenues about sufficient to cover what the real money deficit probably was. These revenues amounted in 1920 to 130 million, in 1921 to 148 million, and in 1922, after the restoration of money, to about 300 million. The smallest returns from this source were in April, May, and June, 1922, which was the crisis of the transition back to normal conditions. It was fortunate that at this time the State was favoured by one factor, namely, that during 1921, when circulation increased 136 times, prices only rose about half that proportion, namely, 71 times. As it was a question of months whether the currency would retain some real value long enough for the State to reach currency reform in its programme, this success in keeping prices down probably saved the situation.

After mid-summer, 1922, there was a definite turn for the better. It is true that the totals of currency issued became astronomical, and the technical limitations of the printing press were already in sight even though the paper chase in Russia never became quite such a wild goose chase as in Germany. But what mattered was that the revenue proceeds therefrom began nevertheless to increase and the proportional rise in prices to decrease.

Currency Reform

From this point the road to currency reform followed by the Russians was much the same as that by which the Germans extricated themselves from their catastrophe. In fact, the Russian precedent now becomes very instructive as to what can be done by a strong Government without outside help in saving a desperate financial situation.

The first effort to stabilise the currency was the introduction by decree on June 5th, 1921, of the " pre-war rouble " unit in which all payments and accounts, public and private, should be reckoned. This had, however, to be abandoned in favour of a less drastic method, that of fixing an official exchange based on foreign exchange. The difficulty of fixing and paying wages under this method caused the recourse to " goods roubles," a unit calculated from the index of prices, and consequently also called an " index rouble." This was practically a return to the pre-war rouble. Moreover, as pre-war prices were gold prices, the step from the goods rouble to the gold rouble was in principle small, though the practical difficulty of introducing a return to gold was very great. And there was also a strong sentimental objection to the restoration of gold as a standard of value, for it was feared that this would re-open the door to speculative profiteering and

foreign penetration. So the theoretic discussions between partisans of the goods rouble and those of the gold rouble soon became as interminable as intricate, and those in favour of the goods roubles had the best of the argument. But long before the fervour of controversy was exhausted, the force of circumstances had decided in favour of gold roubles. The whole principle of N.E.P. was the restoration of all enterprises and exchanges to a business basis; and a business basis in this sense implied a foundation on a gold standard. If the State had not itself restored such a standard in some form, business would have worked one out for itself as in Germany; either by using a foreign standard such as the dollar or by restoring the pre-war rouble.

Gold Standard Restored

The first step was the restoration of the National Bank, with the right to issue currency notes (October 11th, 1922). The issue of notes was entrusted to an issue department composed partly of Governmental, partly of bank representatives, and the whole form and function given to the New National Bank was clearly modelled on the Bank of England. The new currency had a unit of ten roubles, called after an old Russian coin, Tchervonetz. This unit, with the percentage of gold of the old rouble, is secured to one-fourth by bullion and foreign exchange, the remainder by short bills and easily realisable securities. But the bank has done its best to maintain throughout a bullion reserve of not less than 50 per cent., as appears from its published balance sheets. These Tchervonetz notes, which were obviously in imitation of our pound notes, were given an immediate currency for taxes, customs tariff, and certain other official payments. But their introduction into general currency was proceeded with very cautiously and even met with a certain amount of difficulty. Owing to their high denomination and the curious conservatism of Russia, these notes used at first to be returned to the bank in large quantities to be changed into the old depreciated currency. Yet the main difficulty of maintaining a double currency, namely, that the worse drives out the better, did not develop, and by the autumn of 1923 the Tchervonetz was coming generally into circulation, and being taken up with confidence. It was considered safe by December 21st, 1923, to make the acceptance of the Tchervonetz obligatory for Government purposes. But the old notes were still the basic currency and the banks were still obliged to give them in exchange when required.

The Tchervonetz

The buying value of the Tchervonetz was at first as high as 11.08 roubles in wholesale dealing and 8.9 in retail. But a year later, after sharp oscillations, due probably to an insufficient basis of business, it had fallen to 7.64 and 5.41 respectively. This depreciation was checked in the autumn

of 1923 by intervention of the National Bank. On the whole, it did the new currency as much good as harm, because the reduction by one-quarter in value reduced the high denomination of the new notes without seriously affecting confidence in them.

Foreign exchange of the Tchervonetz being under closer control was steadier, and the average exchange with the pound sterling has been above pre-war exchange. The following figures show that the dollar exchange is now very steady and the variations in the pound exchange have another explanation than the real value of the Tchervonetz. Under conditions of so complete a monopoly of foreign commerce as there is in Russia, the reactions between foreign exchange value and internal buying value may become somewhat remote. There is, in fact, the risk that official operations may create an official exchange remote from the real market values. But a comparison of the official and the free rates of exchange shows that, though a difference exists, it has not as yet become dangerous. On the 1st of January, 1923, the free exchange was 4.6 below the official; in March, it was equal; in May, the free was 1.1 above, and in July, 1.1 below. In the provinces, however, the difference became as much as 10 per cent. in 1924.

TCHERVONETZ EXCHANGE.

Date.	Dollar.	Sterling.
1923.		
March 1st	1.92	8.85
April 1st	1.92	8.56
May 1st	2.23	9.67
June 1st	2.59	11.38
July 1st	2.14	9.80
August 1st	2.11	9.65
September 1st	2.07	9.51
October 1st	2.05	9.39
November 1st	2.06	9.15
December 1st	2.18	9.47
1924.		
January 1st	2.20	9.40
February 1st	2.17	9.24
March 1st	2.11	9.07
April 1st	1.94½	8.36
May 1st	1.94½	8.52
June 1st	1.94⅜	8.38
July 1st	1.94½	8.41
August 1st	1.94½	8.55½
September 1st	1.94½	8.73
October 1st	1.94½	8.67
November 1st	1.94¼	8.78
December 1st	1.94½	8.98
December 20th	1.94½	9.13

To sum up, we have in the Tchervonetz a currency which is the opposite extreme to that aimed at by War Communism. It is not merely the

substitution of a gold rouble for such compromises between money and man-power standards as were represented by the various forms of goods roubles. It is a gold standard which is based on its relationship with foreign gold standards and especially the pound sterling. This close connection between the new Russian currency and foreign commerce, is a powerful guarantee for the goodwill and good faith of the Russian Government enterprises in methods of foreign commerce.

Regulation of Exchange

This stability of exchange in the Tchervonetz was achieved in face of a trade balance at first heavily against Russia, owing to the difficulty of organising export and the heavy demands for imports due to the famine and reconstruction work. Moreover, foreign exchange was indispensable for the Bank in order to secure the new currency and to start commerce. Consequently decrees were issued on the date of February 15th and April 9th, 1923, regulating dealings in foreign exchange and limiting them to members of the Bourse and banks having general permission to deal. Though not very strictly observed, this legislation has served its purpose and brings at least all Government Trusts and Syndicates, as well as the co-operatives, under control in this respect. Further, no payment within the Union may be made in foreign valuta, and holdings of it by State Trusts or co-operatives are strictly regulated. The National Bank must be given the refusal of any such foreign exchange before it is disposed of privately, and no one may export more than 200 roubles' worth without permission, though this is easily evaded. However, with the moneys confiscated from Nepmen through the G.P.U. for illegal attempts at export of securities, a railway of 100 versts long required by the cotton and grain industries has been constructed in Turkestan.

Although much of this regulation of exchange is not, and probably cannot be, enforced under existing circumstances, it has been effective for its purpose of providing the State with foreign valuta, of use in balancing the Budget. Indeed, early in 1924 the amount available became embarrassingly large and the National Bank found itself being compelled to issue Tchervonetz notes in order to acquire foreign valuta for which it had no use but which were offered by exporters, because a refusal would have checked exportation. Moreover, as the trade balance under the economic plan for 1923-24 is as much as 132 million roubles, it looks as though the State would soon be in a position to free dealings in foreign exchange in so far as it can safely do so without allowing control to pass out of its hands.

Restoration of Single Currency

The last development of currency reform was the Acts of the 14th February, 1924, stopping further emissions of the old notes, and of the 10th

SWEDISH DRILL AT CHILDREN'S HOME

March finally putting them out of circulation as from the 10th May, and redeeming them at a rate depreciated in certain cases to one-five-thousand-millionth. This old currency had been used to maintain the value of the Tchervonetz by buying it up when necessary, but had been replaced in this function more and more by foreign valuta. The Transport Certificates, of which mention will be found elsewhere, were a currency of small denominations now all redeemed.

The effect of this currency reform on the enterprise and energy of the National Economy was, of course, immediate, and the impetus it has given still continues. Its results can be observed in the returns given elsewhere showing increasing production and trade. The consequent improvement in revenue from taxation and economic profits react, in turn favourably on the currency.

Currency and Budgets

The Delegation has no reason whatever to doubt that the present condition of the currency is satisfactory. The following table gives details:—

1924.	Paper Roubles.	Tcherv. Gold R.	Transport Certifs.	Treasury Bills.	Silver Coins.	Small Change.	Central Caisse Bonds.
			Millions of Tchervonetz Roubles.				
1st April .	15.36	294. 5	20.7	54.6	9.96	3.14	448.9
1st June .	9.8	286.6	20.5	124.1	16.6	15.7	518.0
1st Aug...	4.8	301.2	—	162.1	34.6	20.0	570.0
1st Oct...	—	352.85	—	201.75	48.94	25.35	667.93

A handsome silver currency, which to a value of £5,000,000 was minted in England, is in general circulation, and in October a copper coinage appeared. A gold Tchervonetz is obtainable, but does not appear in circulation.

The total of money in circulation rose from 264 million roubles in October, 1923, to 624 million in October, 1924. This considerable emission of currency in the course of the summer led to no corresponding increase of prices, and no fall at all in exchange, and consequently evidently did not exceed the growing demand of business. The only danger of inflation seems to lie in a possible over-emission of bank credits for industry.

The emission of currency for revenue purposes in 1923-4 was restricted practically to that originally estimated for. The emission in 1924-5 is reduced from 180 millions in the previous year to 80 millions, and this latter sum is not, moreover, mere paper but silver and copper coinage. In fact, the use of the mint for revenue is almost restored to its legitimate form of a profit on coinage, and there seems no reason to suppose that the proposed increase of the currency is more than business development requires. In other words, careful investigations in the Commissariat of Finance show no

reason to fear the renewal of inflation that has been so confidently predicted abroad.

The following figures show the disappearance of the fatal financing of Budgets by emission of paper currency:—

REVENUES.	1921-22.	1922-23.	1923-24.	1924-25.
	Millions of Tchervonetz Roubles.			
1. Taxation	450	405	666	961
2. Receipts from National Property and Enterprises	199	511	835	1,080
3. Loans	1	85	219	190
4. Paper Currency Issue .	350	387	196	—
	1,000	1,388	1,916	2,231

Receipts in Kind and Budgets

Nothing shows more clearly the rapid reconstruction that has been proceeding under the " New Economic Policy " than the complete change in the character of recent Budgets. The Budget for 1920 represents the high water mark of War Communism and the elimination of money. Receipts, exclusive of currency emission, were 159,604 million Soviet roubles and expenditure 1,215,159 million Soviet roubles. Of these receipts about one-third came from nationalised production and another third from nationalised trade.

The first Budget under the New Economic Policy was the nine months' Budget, January to September of 1922. This represents a transition from a barter to a business basis. The total receipts were 530 million index roubles, of which about 64 per cent. were receipts in kind, not money revenues. The attempt to reconcile these two bases caused, needless to say, inextricable confusion. We see below the process of transition to a money basis :—

	1921-22.	1922-23.	1923-24.	1924-25.
	Millions of Tchervonetz Roubles.			
Receipts in kind ...	550—55%	158—11%	72— 3%	—
Money Revenues ...	450—45%	1230—89%	1844—97%	2231—100%
	1000	1388	1916	2231

Budget of 1922-23

The turning point in the restoration of the Budget to a business basis is in 1922-23. The Budget as at first produced showed receipts of over one milliard and expenditure well over two milliards. The greater part of the deficit—600 millions—was to be raised by currency issue, and it was evident that a currency of the total real value of 90 millions could not stand it.

A Budget Commission was, therefore, set up to take drastic action. The Budget was dealt with on a quarterly and even monthly basis, and great efforts were made to raise revenues, reduce expenditures, and restrict currency issues.

It will be worth while to reproduce this crucial transition Budget of 1922-23 in such a form as will give an idea of the situation.

BUDGET FOR 1922-23.

(Millions of Tchervonetz Roubles.)

Receipts.		Expenditure.	
1. Direct Taxes and Customs	230	1. Administration, etc.	318
2. Indirect Taxes	175	2. Transport Communications, etc. .	822
3. Transport and Communications .	454	3. Industry	123
4. National Industry and Trade ..	57	4. Agriculture	64
5. Credit Operations.....	85	5. Electrification	28
6. Currency Issue	387	6. Co-operation	10
		7. Treasury Operations and Miscellaneous	23
	1388		1388

It is obvious that this is a Budget that still contains a large measure of War Communism, and is, still, more concerned with national economy than with governmental finance.

Analysis of Budget Expenditure

Comparing the principal items of the Budgets of 1922-23 and 1924 we get an idea of the nature of the burden.

EXPENDITURE.

(Millions of Tchervonetz Roubles.)

	1923-24.		1922-23.
1. Transport and Communications ..	672.5—32.7%	....	580—41.8%
2. Administration	459.0—24.4%	....	318—22.9%
3. Industry	85.0— 4.5%	....	123— 8.9%
4. Agriculture	61.0— 3.2%	....	64— 4.6%
5. Electrification	42.0— 2.1%	....	28— 2.0%
6. Co-operation	20.0— 1.1%	....	10— 0.7%
7. Treasury Operations, etc.	100.0— 5.3%	....	23— 1.7%
8. Miscellaneous.....	358.0—19.0%	....	242—17.4%

The financing of industry is thus being steadily transferred from the Budget to the Banks; and this financing of industry is still an item of which the investment value is hard to estimate. The subsidy of agriculture shows that nearly half the net proceeds of the rural tax are returned to the land. The increase of the amount spent on electrification is evidence of the very general effort to re-equip industry. While the support of Co-operation in its struggle against private enterprise and against the "scissors"

crisis is also an investment. The item " Treasury operations " is mainly repayment of grain and sugar loans.

An encouraging element in these Budgets is the increase of receipts and the decrease of the deficit; another is that almost half this increase of receipts comes from transport—showing, as this does an economic expansion. The increase in taxation comes mainly from the rural tax; moreover, this increase has been obtained from an increase in taxable capacity without raising the rates. An increase that is only a beginning may be observed in the receipts from national property such as forests. Receipts under this head are still insignificant compared to what they might be.

Budget for 1923-24

The Budget for 1923-4 was produced in December, 1923, the dangers due to the delay being met by a provisional " budget of control." The delay was due to difficulty in finally bringing the whole national accountancy on to a normal budget basis and in first attempting an allotment of central and local budget responsibilities as between the Union and the autonomous Federations. The fundamental principle of this financial and fiscal relationship is to secure for the whole Union the advantages of a centralised control and credit while giving the local autonomies sufficient resources and responsibilities for their own cultural development and special concerns. This involved a most difficult decentralisation, still in course of development.

The Budget of 1923-24 increased in its totals by half a milliard—an augmentation that can be compared with that of the Tsarist Budget of 20 years before, 1904, which was 2,738 million roubles, as compared with 2,235 million roubles in 1903. This increase in 1904 was the result of the Japanese War, but the augmentation in 1923-24 was partly the result of a return to normal conditions, partly of a revival of economic productivity. Thus the total of foreign trade rose in 1923-24 to half as much again; the internal trade total trebled; freights rose by half; the credit on free balance at the National Bank increased five times. The country consequently carried the increased burden without being checked in its growth.

Growth of Budget

It follows then that the Budgets are growing rapidly in their totals, and this process having now passed through the stage during which the Budget was being restored to its normal form and function, a question may arise whether the growth is not greater than the growth of the national income justifies.

In comparing present with pre-war figures it must be remembered that the Empire included industrial districts of Poland and the Baltic States, from which large revenues were received. Various estimates calculate the national income at 50 pre-war roubles a head as compared with 101 pre-war

roubles in 1913. This, with a population of 130 millions, gives 6.5 milliards, and a Budget of 1.4 milliards would, allowing for the difference in pre-war values, be equivalent to about 15 per cent. of the national income. This would not be an undue burden. Another estimate, that of Gosplan, puts the total of production in milliard roubles, as follows: 1913 at 18.2; 1922.3 at 10.7; 1923-4 at 12.1. On this basis the Budget revenues would be 18.9 per cent. of that value in 1913 and 13 per cent. in 1923-4. Another calculation shows that the increase of the Budget total by 200 millions had absorbed two-fifths of the increase of the national income. All this seems to compare well with pre-war conditions in Russia and present conditions abroad.

Budget Deficits

The progress made towards balancing the Budget may be summarised as follows:—

In 1921 the deficit in proportion to the total revenues, both ordinary and extraordinary, was 86.9 per cent.; in 1921-22 it was 83.1 per cent.; in 1922-23 it was 40 per cent.; in 1923-24 it was 25.9 per cent.; and in 1924-25 it is estimated at less than 10 per cent. These figures show a remarkable financial recovery.

Ordinary and Extraordinary Budget

It will be observed that in the Budget for 1924-25 ordinary revenues cover ordinary expenditures, and there is on this basis no deficit at all. The extraordinary expenditure is represented by the financing of industry, agriculture, etc.—that is, investments by the State in State enterprises—and is covered by loans and profits on coinage (not on paper currency). This would seem to be business budgeting, provided the State enterprises are good investments for the national savings, as to which information will be found elsewhere.

Internal Loans

The substitution of credit operations for currency emissions as a means of balancing the Budget began in 1922-23. The first loans were for short terms and in kind—bread loans, sugar loans, etc. They were a transition from the levies in kind of War Communism to the long term money loans of to-day. The lists for the bread loans were closed early in 1924 and for the sugar loans soon after. These were followed by the First Lottery Loan to be taken up by workers and peasants, which produced some 48 millions, as much as then did all the taxes together, and of which about half was actually subscribed by wage-earners before the list was closed. At this time also a small floating debt arose from the renewal of short-term Treasury bills for the financing of the short-term Budgets.

The Budget of 1923-24 shows a deficit of 457 millions, which is covered to the amount of 195 millions, by currency emission, by 30 millions of foreign valuta, the proceeds of the sale of wheat, by 22 millions of sales of stores, and by 200 millions "credit operations."

The next series of loans were long-term loans floated in the course of 1924—the 8 per cent. Internal Gold Loan, the 6 per cent. Rural Lottery Loan, and the Second Lottery Loan, of which the first is to be taken up by industry and trade, the second by agriculture, the third by the well-to-do in the towns. The following figures show that the proportion of the 1923-4 deficit to be covered by credit operations—namely, 200 millions—had practically been provided by mid-summer, 1924. Since then the loans have been going off well, though it would be interesting to ascertain the proportions of purely voluntary subscriptions.

INTERNAL LOANS.

	Commodity Loans (Tcherv. roubles).			Monetary Loans (Tcherv. roubles).					Total of Commodity and Monetary Loans.
	Second Bread Loan.	Sugar Loan.	Total.	6 % Lottery Loan.	Transport Certificates.	Treasury Bills.	8 % Int. Loan.	Total.	
Oct. 1 to Dec. 31, 1923	5,047,106	9,454,006	14,501,112	34,391,953	9,325,635	41.458,057	—	85,175 645	99,676,757
Jan. 1 to Mar. 1, 1924	—	1,442,869	1,442,869	8,890,353	12,639,100	56,572,251	6,536,470	84,638 174	86,081.043
Total for first six months, 1923-24	5,047,106	10,896,875	15,943,981	43,282,306	21,964,735	98,030,308	6,536,470	169,813,819	185,757,800

I. Budget of U.S.S.R.

SHOWING DISTRIBUTION OF CREDITS AMONG FEDERATED REPUBLICS.

(Millions of Tchervonetz Roubles.)

ORDINARY—	Russia.	Ukraine.	Caucasia.	Turcoman.	Uzbeg.
Associated Departments	49·9	12·7	5·6	1·0	2·8
Unassoc'ted Departmnts	151·0	40·2	20·6	3·5	12·8
Reserves	4·7	2·9	—	·2	—
Subsidies	16·0	5·0	—	·3	—
Miscellaneous	·9	—	—	—	—
Total	222·5	60·8	26·2	5·0	15·6
EXTRAORDINARY—					
Commercial Credits	3·5	1·2	—	—	—
Industry and Housing	3·6	1·0	—	—	—
Agriculture and Co-oper.	26·5	8·0	—	—	—
Famine Relief	25·5	1·2	—	—	—
Electrification	·5	1·3	—	—	—
Red Army	—	—	—	—	—
Miscellaneous	·9	—	—	—	—
Total	283·0	73·5	26·2	5·0	15·6

II. Budgets of U.S.S.R. for 1923-24 and 1924-25

ORDINARY REVENUES—	Budget 1923-4. (Estimated.)	"Control" Budget 1924-5.	Budget 1924-5. (Approved.)
	(In Thousand Roubles.)		
1. DIRECT TAXES.			
(a) Rural	186,575	250,000	250,000
(b) Industrial	51,311	66,000	66,000
(c) Income; Property	45,850	70,000	80,000
(d) Income from Leases	3,000	10,000	10,407
(e) Succession	555	—	—
(f) Levy for Famine Relief.	—	18,000	18,223
2. INDIRECT TAXES.	287,291	414,000	424,630
(a) Excise	213,718	301,500	374,000
(b) Customs	74,084	75,000	75,000
3. DUTIES.	287,802	376,500	449,000
(a) Stamps	50,922	72,000	75,000
(b) Others	7,132	—	13,059
	58,054	72,000	88,059
4. POSTS AND TELEGRAPHS..	45,328	63,000	68,369
5. RAILWAYS	619,393	780,000	785,000
6. STATE ENTERPRISES.			
(a) Industries	45,781	50,000	61,495
(b) Commerce		18,000	22,339
(c) Banks	10,000	15,000	20,000
(d) Forests	42,991	60,000	60,154
(e) Mines	9,395	12,000	9,520
(f) Miscellaneous			12,658
	108,167	155,000	186,168
7. REIMBURSEMENTS	19,520	16,510	19,750
8. MISCELLANEOUS REVENUE	7,970	4,388	4,267
Total	1,433,525	1,881,398	2,025,244
EXTRAORDINARY RECEIPTS—			
1. SALE OF STATE STORES..	22,980	10,250	21,715
2. CREDIT OPERATIONS.			
(a) Lottery Loan II.	40,000	40,000	30,000
(b) 8% Gold Loan	27,000	30,000	30,000
(c) Peasants' Loan	48,500	50,000	50,000
(d) Other Loans	85,000	—	—
3. SILVER AND COPPER CURRENCY	200,500	120,000	110,000
	—	80,000	80,000
4. FOREIGN EXPORT VALUTA	30,800	—	—
5. TREASURY BILLS RENEWED	7,211	—	—
6. PAPER CURRENCY	195,600	—	—
	457,091	210,250	211,715
Grand Total	1,890,616	2,091,648	2,236,959

	Budget 1923-4. (Estimated.)	"Control" Budget 1924-5.	Budget 1924-5. (Approved.)
	(In Thousand Roubles.)		
ORDINARY EXPENDITURE—			
1. Union Departments and Establishments	93,825	86,990	89,695
Commissariat Industry and Trade	48,379	63,000	68,369
Commissariat, Transport	672,521	780,000	785,000
Commissariat, Army and Navy	361,448	378,000	378,000
	1,176,173	1,307,990	1,321,064
2. Federated Departments and Establishments	124,502	112,408	123,662
3. Non-Federated Departments and Establishments	168,163	202,000	243,200
4. Reserve Subsidies	81,957	95,000	107,278
5. Credit Operations	122,566	162,700	163,955
Total	1,673,361	1,880,098	1,959,159
EXTRAORDINARY EXPENDITURE—			
1. Industry	85,610	59,650	71,948
2. Agriculture	61,779	40,000	61,700
3. Famine Relief	—	48,000	47,825
4. Unemployment	—	4,000	4,000
5. Communal Credits.	2,000	5,000	26,500
6. Electrification and Housing	42,458	37,900	37,915
7. Financial Reform	—	—	10,000
8. Shipbuilding	—	5,000	5,000
9. Leningrad Flood Reconstruction	—	12,000	12,000
Miscellaneous	5,000	—	—
Co-operation	20,408	—	—
Karelian Republic	—	—	912
	217,255	211,550	277,800
Grand Total	1,890,616	2,091,648	2,236,959

(Signed) S. G. SOKOLNIKOFF,
Commissär of Finance,

E. REINGOLD,
Director of Budget Department.

III. Budget Accounts for 1923-24

REVENUES COLLECTED

ORDINARY REVENUES—	Union.	Far East District.	Trans-Caucasia.	Total.
		(In Thousand Roubles.)		
1. DIRECT TAXES.				
(a) Rural	153,674	3,706	1,420	158,800
(b) Industrial	63,808	1,655	2,856	68,319
(c) Income, Property	61,512	1,320	830	63,662
(d) Other Taxes	758	92	23	873
(e) Income	799	—	—	799
	280,551	6,773	5,129	292,453
2. INDIRECT TAXES.				
(a) Excise	224,792	5,937	11,281	242,010
(b) Customs	59,224	2,545	3,939	65,708
	284,016	8,482	15,220	307,718
3. DUTIES	61,663	2,253	2,201	66,117
4. POSTS AND TELEGRAPHS	41,520	2,228	1,950	45,698
5. RAILWAYS	581,985	15,593	32,851	630,429
6. STATE ENTERPRISES.				
(a) Industries	31,231	—	—	
(b) Commerce	12,193	222	159	55,088
(c) Banks	11,283	—	—	
(d) Forests	36,762	2,659	332	39,753
(e) Miscellaneous	3,283	2,438	457	6,178
	94,752	5,319	948	101,019
7. REIMBURSEMENTS	18,036	202	468	18,706
8. MISCELLANEOUS	10,419	347	345	11,111
Total	1,372,942	41,197	59,112	1,473,251
EXTRAORDINARY RECEIPTS—				
1. SALE OF STATE STORES	30,320	265	165	30,750
2. CREDIT OPERATIONS.				
(a) I. Lottery Loan	51,664	—	—	51,664
(b) II. Grain Loan	7,022	—	—	7,022
(c) Sugar	10,890	—	—	10,890
(d) Transport Certificates	23,750	—	—	23,750
(e) II. Lottery Loan	32,448	—	—	32,448
(f) 8% Gold Loan	25,594	—	—	25,594
(g) Peasants' Loan	39,811	—	—	39,811
	191,179			191,179
3. FOREIGN EXPORT VALUTA	26,260	—	—	26,260
4. PAPER CURRENCY	180,415	—	15,600	196,015
	428,174	265	15,765	444,204
Grand Total	1,801,116	41,462	74,877	1,917,455

CREDITS OPENED

	Union.	Far East District.	Trans-Caucasia.	Total.
		(In Tousand Roubles.)		
ORDINARY EXPENDITURE—				
1. Union Departments and Establishments	111,471	4,574	4,440	120,485
2. Commissariat, Industry and Trade	44,731	2,250	2,329	49,310
3. Commissariat, Transport	631,653	21,176	22,802	675,631
4. Commissariat, Army ..	325,849	5,517	8,505	339,871
5. Commissariat, Navy ...	29,159	930	406	30,495
	1,142,863	34,447	38,482	1,215,792
6. Federated Departments..	144,486	3,067	3,406	150,959
7. Non-Federated Departments	143,606	5,160	19,569	168,335
8. Reserve Funds	21,872	—	12,221	34,093
9. Treasury Operations ...	120,043	—	—	120,043
	1,572,870	42,674	73,678	1,689,222
EXTRAORDINARY EXPENDITURE—				
1. Industry	90,736	—	2,191	92,927
2. Agriculture.....	60,010	—	313	60,323
3. Co-operation	19,658	—	—	19,658
4. Communal Credits.....	2,000	—	—	2,000
5. Housing, etc.	1,357	—	—	1,357
6. Electrification	46,248	—	—	46,248
7. Commerce—Industry and Trade, Working Capital	2,000	—	—	2,000
8. Commerce—Transport, Working Capital	3,000	—	—	3,000
	225,009	—	2,504	227,513
Grand Total	1,797,879	42,674	76,182	1,916,735

(Signed) E. REINGOLD,
Director of Budget Department.

Accuracy of Accounts

The State accountancy of the Union is on a very different footing to what it was under War Communism and during the first transition years to the New Economic Policy. The first Budgets were merely approximations and had little relation to the results subsequently realised. Thus the revenues which, in 1922, were estimated at 1,707 millions pre-war roubles produced 795 millions. But if the annexed Table II. of Budget estimates for 1923-24 be compared with Table III.—the realised revenues and expenditures—it will be found that the Budget figures do now represent the facts. For the purpose of obtaining this information, the Delegation's experts were given access to confidential data in the Commissariat of Finance as here reproduced, and these, like other data in this chapter, can be substantiated generally if required. Though it is not easy to verify all details in the present state of statistical development of the competent departments.

Taxation, Soviet and Tsarist

An independent calculation, based on estimates of the total national income pre-war and at present, after all necessary allowances and adjustments shows the present Budget to be 65 per cent. of the pre-war Budget.

This contradicts the impression prevalent abroad, and in Russia itself, that present taxation is heavier than pre-war. This impression is because the burden, though reduced by one-third, is thrice as hard to bear. First, because of reduced productive power, reserve resources, and taxable margins. Secondly, because these new taxes have not yet been accommodated to, and absorbed by, conditions of life. They are only just emerging from the primitive stage of confiscation and the secondary stage of payment in kind. Thirdly, because this new taxation is largely a substitution of direct for indirect taxes. This, though it really relieves the burden on the worker and peasant, makes him realise what the burden is. Abolition of the sale of alcoholic drinks over 20 per cent. strength is a measure which has immensely helped national recovery, and will in time produce a national renascence, but its fiscal effect has been to require 700 millions per annum new direct taxation to replace the national revenues from vodka—and this does not include 250 millions of local revenues. The peasant paid this pre-war 900-1,000 millions far more readily than his present 200-300 millions direct taxation.

Economies

In order to lighten the burden and to balance the Budget, Russia has severely reduced expenditure. Military expenditures, as elsewhere explained, have been greatly reduced. The Red Army expenditure can be estimated as about one-fifth Tsarist expenditure. Further, the enormous expenditure on the economic and educational experiments of War Communism have been removed in the first case by the new economic policy

and reduced in the second case by a policy of severe economy. Public services, lighting, transport, all are now charged for as elsewhere; excepting education and medical care, which remain free.

The Government departments and those enterprises not abolished or put on a business basis as trusts, etc., had their staffs reduced by half. Finally, the Central Budget was relieved of all expenditure that could advantageously be left to the local Budgets—such as education, public health, roads, etc.

We may, in fact, estimate that State expenditure has been reduced by the Revolution to one-quarter of what it was. And there does not seem to be any region in which it can be still further reduced. It is indeed the avowed intention to increase it considerably at the earliest possible moment in respect of education, public health, etc., and also in respect of a new national debt to be incurred for re-equipment of industry and agriculture.

To these recent economies must be added the economies of reconstruction originally effected by the Revolution, such as the abolition of the national debt, the interest on which had risen to 400 million per annum, even before the outbreak of the war. The war more than doubled this in interest on its new foreign debt of nine milliards, and in addition accumulated 16 millions internal debt—so that the total annual interest would have been at least 1,200 millions. A smaller saving was that on the Tsarist subsidies of 55 million to the Church, and of some 16 millions to the Crown and Court.

Corruption

Another saving, as important as any, has been the successful campaign carried on by Communism against corruption. It is impossible to make a comparison in figures—one can only say that the Tsarist officialdom was on the whole as corrupt as Soviet officialdom is on the whole conscientious. Under War Communism fraudulent officials were shot if Communists, or if non-Communists very severely sentenced. Though there is to-day a relaxation from this extreme rigour, the efficiency and probity of Soviet officials are maintained at a very high standard. Add to this that the total expenditure on administration, police, judicature, and central government generally, which was 480 millions under Tsarism, is to-day reckoned in pre-war roubles 190 million.

Direct Taxes

The taxes at present in force are:—

(1) The Income Tax falling on the townspeople and well-to-do, producing in 1923-4 about 63 millions.

(2) The Industrial Tax, which produced about 68 millions, is a tax paid on the profits of all financial, industrial, and commercial enterprises and is graduated to the character of their produce, i.e., production of or trading in luxuries is rated highest, and so on down. This tax is, of course,

generally transferred to the consumer, but efforts are made to check this transfer in the case of private enterprises serving no useful public purposes. On the whole, it is estimated that two-fifths of the tax is paid by the urban middle class, and an equal amount by the town workers and clerks, the remaining one-fifth falling on the peasants.

(3) The Rural Tax paid by the peasants and producing about 158 millions per annum.

Indirect Taxes

(4) Excises on sugar, tobacco, tea, wine, beer, and such like, mostly imported products. The proceeds amount to 242 millions.

(5) Customs duties, producing 59 millions.

(6) Duties amounting in all to 66 millions, of which the most important are a rate on urban buildings and lodgings and taxes on Bourse operations—on hawkers, and on entertainments.

All these indirect taxes may be roughly estimated as falling one-fourth on the peasantry, one-fourth on the middle class, and one-half on the workers and clerks.

This gives the general result that of the total amount of the revenue raised by taxation about one-half is paid by the peasantry, one-third by the workers and clerks, and one-sixth by the middle class. And when it is remembered that the latter class also contribute in the form of loans free or forced, it becomes evident that, in the first place, they are now able to work at a profit, and in the second place, that a large, perhaps the largest, part of that private profit is absorbed by taxation.

Central and Local Finance

Another important feature of Russian finance is also still under elaboration, and that is the respective responsibilities of the Union, of the Federations forming the Union, and of the Republics forming the Federations.

The actual financial powers at present held by the various components of the Union are so varied in precept, vary so much in practice from the precept, and are so clearly still in rapid development, that it is impossible to review them here. The principle underlying these precepts and practices is, however, clear enough. It is to consider as a financial entity any unit in the Union that seems capable of conducting its own finance—whether that unit be a Federation like the R.S.F.S.R. or a self-governing Republic like Georgia. This is subject, however, to the financial supremacy of the Union in all matters specifically assigned to the Union. And, in matters of finance, Union authority includes the conclusion of external and internal loans, the establishment of a general economic plan for all industries of general importance, the production of a general Budget which must comprise the Budgets of the constituent Republics and assign to the latter the necessary resources from Union revenues, the exploitation of mineral wealth,

woods, and water, and the granting of all concessions. This obviously assigns to the Union an authority that would, if fully exercised, centralise the power of the purse entirely in Moscow. Local financial authorities cannot impose fresh taxation without central authority.

Analysis of Budget as to Central and Local Finance

The Budget of 1923-4 can be allocated between Central and Local Departments as follows: U.S.S.R. (Union), expenditure, 85.9 per cent.; revenue, 95 per cent. R.S.F.S.R. (Russia), expenditure, 9.8 per cent.; revenue, 3.2 per cent. UK.S.S.R. (Ukraine), expenditure, 2.3 per cent. revenue, 1.1 per cent. Z.S.F.S.R. (Trans-Caucasia), expenditure, 1.8 per cent.; revenue, 0.6 per cent. B.S.S.R. (White Russia), expenditure, 0.2 per cent.; revenue, 0.1 per cent. These figures show that at present the Union is financing the Federations, whose local revenues are insufficient to cover their cultural and administrative expenditures. The local budgets of these Federations show the following results:—

	Revenue.	Expenditure.	Deficit.	Deficit % of Revenue.
R.S.F.S.R.	1,252	1,458	206	16.5%
UK.S.S.R.	325	333	8	2.4%
Z.S.F.S.R.	68	76	8	11.8%
B.S.S.R.	22	24	2	9.1%

Budget Procedure

The procedure by which the Budget is framed by the Commissariat of Finance in co-operation with the Gosplan—the expert State Planning Commission—is most interesting, but too intricate for report here. It appears to ensure a consideration of the Budget in the general interests of national economy, and a proper control of the central and local administrations and industrial interests. The function of the Gosplan in this respect appears to be one of the features of the Union administration that has an instructive value for all Governments of a federal structure, or that are undertaking social reconstruction. An Act of 29th October, 1924, not yet published, but which was put at the Delegation's disposal, requires (Article 9) that the Gosplan shall report to the Council of Commissariats and the Commissariat of Finance as to the consonance of the Union and autonomous Budgets with the general programme of Governmental and social economy, and also as to the effectiveness of its execution.

General Conclusions

Financial reform and reconstruction, in so far as concerns this latest and last stage of it—a definitive Budget without a deficit—is not yet fully achieved. But on the present lines it should be attained in the next few years. And the general conclusion that will be come to in respect of Union finance by any impartial inquiry is that, not only is it now on the right lines, but is a long way ahead of Continental countries which are at present profiting by the confidence of the foreign investor.

CHAPTER III

INDUSTRY

The outward appearance of Moscow and other principal towns is almost the same as it was before the war, except for an improvement in cleanliness. Shops are open and the middle-class is again in evidence, pursuing its usual life of private profit and pleasure. But the object of the Soviet system in the economic region is to organise production and consumption so as to exclude exploitation of the worker and peasant. And this has resulted in a very complete change of conditions under the surface.

War Communism

Under War Communism the whole administration of industry was officially organised under 59 Head Centres, which again were under the Supreme Economic Council. This so-called regime of the Head Centres (Glavi) was mainly occupied with supporting the war fronts against foreign invasions and " white " incursions and with supplying the immediate needs of the population from old stocks. Most of the skilled workers were in the ranks, and until peace no effort could be made to revive industry. Production fell, until in 1920 coal was only 27 per cent. of pre-war, salt 30 per cent., ore 2¼ per cent., engines and ploughs about 14 per cent., while the total production fell from six and three-quarter milliards to one milliard. But this War Communist system of " Glavi," that had brought the Revolution through a series of wars, any one of which would have overthrown a less strong and stable war administration, soon showed that it was unsuitable to peace conditions. Indeed, it became clear that Russian economics were in a vicious circle. Industry could not produce because the agricultural population could not buy; which, again, was because they could not get industrial products, ploughs, engines, etc. Moreover, the attempt to supply the industrial population by forcibly requisitioning food supplies from the peasantry had led to what was practically a new civil war between the workers and peasants, and the peasants had consequently curtailed production until it was sufficient only to meet their own needs.

The failure of War Communism when at its height in 1920 was due to its artificiality. While it professed to be revolutionising the political system into a more real relationship with economics, it was really trying to revolutionise the principles of economics so as to reconcile them with its own political ethics. Russian Communism was at war with capitalism, and

in war the laws of economics, like other laws, can be ignored for a time. It is the last and greatest achievement of the Russian Revolution to have recognised, as it did in 1921, that this war was being prolonged at a progressive risk to the real results of the Revolution.

Various alarming symptoms, such as the growing armed resistance of the peasants to requisitions, the Cronstadt revolt, and the growing demoralisation of the workers, made it necessary to abandon the Communist experiment and re-establish a business relation between proletariat and peasantry. This business relation on which the existence of the Soviet system depends, required, in the first place, a substitution of taxation of the peasantry for requisitions, and, in the second place, a restoration of freedom of trade in foodstuffs and the products of small industry.

Russia made peace with the enemy within the gate in time. The subsequent three years under this Socialist compromise, known as the New Economic Policy, show very different results in material prosperity and in moral progress than did the three preceding years of uncompromising War Communism.

New Economic Policy and Nationalisation

The first measure of the New Economic Policy did practically, though not in principle, denationalise the conduct though not the control of industry.

The nationalisation of industry had been, in fact, much less systematic and sweeping than is generally supposed. " Workers' control," established the 14th of November, 1917, was followed by confiscation of certain enterprises, but it was not until the decree of June 28th, 1918, that the large industries were generally nationalised. Smaller industries were still only dealt with specifically and sporadically until the height of War Communism, when by a decree of November 29th, 1920, all enterprises employing more than five workers with machinery or ten without, were nationalised, and private property in small industry was legally abolished. But this last development was never generally realised, and was almost immediately reversed by the New Economic Policy. The smallest enterprises up to 20 workers were first denationalised by a decree of December 10th, 1921, which also left under private control any larger enterprises not already nationalised. Further, under the decree of March 22nd, 1923, the exploitation of enterprises of any size might be denationalised for a period by concession.

The small industries and home handicrafts (Kustarni) were as a whole never really nationalised at all, though the decree of September 7th, 1920, attempted to do so. Their freedom of trade was restored them by a decision of May 17th, 1921, and was formally regulated by a decree of July 7th, 1921. Therein small industries are defined as those which employ less than 20, and no one may engage in more than one enterprise.

YOUTHS' RECREATION ROOM IN WORKERS' CLUB

Trusts and Syndicates

The New Economic Policy restored not only the fundamental right of private enterprise, but also re-erected on it somewhat similar superstructures to those that have grown up in other countries, such as Trusts, Syndicates, and Banks. These were reproduced in Russia as State organisations operating on a self-governing and self-supporting basis. In other words, Big Business and High Finance in Russia are both under direct Government control, and do not, as elsewhere, indirectly control the Government. In some cases, as in the "Mixed Companies," in which public and private capital participate, new forms have been created. And in all cases care must be taken not to confuse these Trusts and Syndicates, which are a development of nationalisation on a business basis, with European Trusts and Syndicates. The Russians, first, under War Communism nationalised all commerce and industry, and then, under the New Economic Policy denationalised all that was without direct national importance, but "socialised" Big Business and High Finance. With us private enterprise is preparing nationalisation from a business basis by organising industry on national lines. In Russia the Revolution is reconstructing a nationalised industry and commerce on a business basis. The ultimate end will be much the same in both cases. But the present penultimate stage is very different. In Russia producers are rapidly acquiring sufficient freedom for the efficient conduct of their operations. In Europe the State is at present making little or no progress towards acquiring control over profiteers.

The demobilisation of industry was put in hand with great promptitude. By the end of 1922 there had been created 426 Trusts, each composed of factories mostly occupied in the same branch of industry. There were also by then 20 Syndicates or Combinations of Trusts for financial and commercial co-operation. All these, as well as the "Mixed Companies," operate under concessions.

Concessions

These are generally considered as originating in the New Economic Policy. But the first Congress of Councils of National Economy in April, 1918, issued a decree establishing a programme of concessions for the attraction of foreign capital, and this decree was only suspended owing to the last invasion of Russia by the capitalist Powers. With the end of these hostilities in 1920 it again became applicable, a resumption that ante-dated somewhat the New Economic Policy. The difference under the New Economic Policy is that many of the powers given under concessions as privileged exemptions in the time of War Communism are now made generally applicable by the New Economic Policy.

Concessions in Russia have nothing peculiar in principle, only as nationalisation is still on a much larger scale than elsewhere concessions

have a larger scope. In so far as they concern public services, lighting, transport, etc., they are very similar in character to concessions in other States. But these Russian concessions for public services, industrial exploitation, banking, foreign commerce are subject to certain requirements, such as minimum of production, previously applicable for the most part only to mining and such matters. Another peculiarity is that Russian concessions are in the form of contracts between the State and the private person, though in fact they are administrative and unilateral. As to whether concessions confer a right of ownership or only usufruct, Article 55 of the Civil Code, which provides " that large industries may not come into private ownership otherwise than by concession," seems to allow the first. Whereas Article 22, which only allows nationalised enterprises, buildings and vessels to be leased, contemplates the second. But as the concessionaire may neither sell, mortgage nor lease the conceded property, and must personally exploit it under pain of invalidating the concession, there can be in practice no question of ownership. He is not even an owner in the sense that English railways are in private ownership, because his exploitation is very strictly limited in time. He is still less an owner if he holds under lease. For a concession is for periods sufficient to allow of amortisation of installation expenditures, whereas a lease is for no more than 12 years, requires the return of all equipment, and does not, like the concession, allow the exporter to sell old equipment. But the concessionaire and leaseholder do have full ownership in their working capital, and, broadly speaking, in that alone.

Leases

Besides concessions private capital can operate under lease. These are different from concessions, which may concern only rights in property, in that they deal with the property itself. But a lease is not so attractive a proposition. The term is too short (6-12 years) to repay any great outlay, and there is not the same guarantee against loss due to legislation as in the concessions.

In some cases private enterprises can be started with only a departmental permit, as in the case of a printing business (Decree, December 2nd, 1920). Russian " Mixed Companies " also can obtain rights to work minerals on a small scale without a concession.

Organisation of Trusts

The powers and position to be accorded to the Trusts were first worked out in the controversy over the formation of the Flax Trust, established by decree, August 12th, 1921. It was followed two days later by the general decree regulating the Trusts under the New Economic Policy. This at first limited to 10 per cent. the amount of produce at free disposal of the Trusts, which was, however, soon raised to 50 per cent. But a whole series of

Trusts sanctioned by decree of October 27th, 1921, were allowed to dispose of their whole production.

At first the management of these Trusts was restricted and over-regulated, but before long it had become completely autonomous; even exceeding that allowed to limited companies elsewhere, as, for example, in conclusion of loans. Finally, a decree of May 23rd, 1922, recognised these Trusts as judicial personalities. They are indeed in some respects in a more responsible and autonomous position than the nearest things of the kind in Europe such as Government railways and institutions. The reason for this is the intention in Russia to put these Trusts in a position to attract capital on their own account. The other form of " Mixed " enterprise in which the Government participates in shares, was considered in Russia suitable only for the smaller concerns.

Status of Trusts

The position of the Central Trusts is regulated by the decree of April 10th and July 17th, 1923, that of the local Trusts by a decree of September 17th, 1923. The statutes of all the Trusts have now, within the last six months, been brought into conformity with these decrees. These enterprises have thereby now been definitely separated from the State. This decree recognises the autonomy of the Trusts in all that concerns their operations and in accordance with their Articles of Association. It substitutes a " commercial basis " for their operations, i.e., the making of a profit, for the previous " economic basis," which only required a business-like book-keeping. This again involves a renunciation by the State of all requisitions or even requirements from the Trust incompatible with commercial prosperity. On the other hand, the Government is not responsible for the liabilities of the Trust, or loss of capital, other than debts from State enterprises. This decree also defines for the first time the property rights of the Trust with a view to enabling it to get credit. In the first place it was necessary to guarantee the Trust against loss and liability due to State interference, which is done very fully by Articles 5 and 14. The State is, moreover, only entitled to any net profit after provision for sinking fund and the putting of 20 per cent. to reserves as well as to any assets after liquidation of all liabilities. The statutory capital is divided into capital and working capital; statutory capital does not include property. Basic capital cannot be alienated or mortgaged except by consent of the Supreme Economic Council. This applies also to long term loans. These provisions give the Trust a basis for credit; which is, however, restricted to its working (Oborotny) capital, against which alone creditors can proceed (Article 17). Structures, machinery, and equipment generally cannot consequently be used as security. The function of debentures is taken by a Government guarantee. Private capital is excluded from holding shares, though an exception in this respect is made

in favour of co-operatives. The reason for this is that in the case of the co-operators there is no reason to fear the ultimate predominance of private capital.

Each Trust is based on Articles of Association (Ustav), which should more properly be called a Charter (prolozhenie); for, in legal lingo, these Trusts are neither Associations nor Corporations, but " établissements publiques personnifiés." They are judicial persons.

The division of powers as between the directors and the Government (Supreme Economic Council) is based on the principle that the State assumes the authority assigned in a limited company to the general meeting of shareholders appointing the directors, etc. (Auditors are appointed jointly by the Supreme Council and the competent Trade Union.) Indeed, the State is excluded from intervention in the management to an even greater extent than is the general meeting. The State, like the general meeting, has authority over financial operations and all questions affecting the constitution and control of the Trust. To this must be added the usual authority assumed by the State over corporations under western legislation.

All Trusts must be members of the Bourse and register their transactions. (Article 48, decree 10 IV. 23.)

The Supreme Economic Council, the Council of Labour and Defence, and the Commissariat of Internal Trade, can, in " cases of necessity," fix the selling price of its products (Article 48 ib.). In equal conditions Trusts must give preference to State organs and to co-operatives over private enterprises.

By 1923, there were already 423 Trusts employing about one million workers.

Mixed Companies and Private Enterprises

The mixed companies operate like private companies and in virtue of a concession. The only complicated feature of their structure is the State participation, which is not in money, but in material, land, building, etc. But as this nationalised property cannot be alienated, the State's participation has to be expressed in the form of a remission of rent for a term, which complicates the balance sheet. Another pecularity is that instead of the directors being appointed by the shareholders as a body, the State and the shareholders each appoint representatives.

In spite of these peculiarities, the mixed companies are, in respect of status, private companies. And, though there is a constant pressure for their conversion into official organs, they are likely to retain their private character. But further juristic definition of their status is probable and desirable.

Concessions and Leases

The function of the State, which is limited in principle to supervising mixed and private companies, may become in practice a more serious control. For example, concessions and leases all impose a minimum production, and Article 162 of the Civil Code requires its fulfilment. This, therefore, imposes on private enterprises a public responsibility in the interest of national production and public property. To this extent, these private exploitations are still public enterprises.

State Syndicates

These are institutions very illustrative of the adaptibility and spontaneity of the present economic structure. The Syndicate is a combine of Trusts somewhat similar in organisation and object to the Syndicates organised by Big Business elsewhere. It is like them, a free association, by Articles, of autonomous enterprises under a central management; which has in Russia a judicial personality. But whereas the Trust is a State organ, the Syndicate is a private association which as yet has not even been regulated. The functions of the Syndicate are defined in an official thesis issued by the Supreme Economic Council as being the better co-ordination and co-operation of the Trusts in financial-commercial operations in the sale of their products, and in the acquisition of raw material.

The Syndicates are directly under authority of the Supreme Economic Council. This authority is concerned with consent for the syndicalisation of any Trust with the confirmation of directors and auditors, the appointment of its own auditors, the inspection of audit and accounting, confirmation of distribution of dividends, and with dissolution. The Syndicate usually acts through an agent of its members and consequently does not require working capital.

The Syndicates are in rapid process of development. They are, in fact, an amalgamation on a national basis of the individual Trusts engaged in each industry; and the more important industries, such as textile, oil, hides, tobacco, metals, etc., are all syndicated.

Industrial Congresses

These are conventions of representatives of all the Trusts engaged in any industry, with a permanent secretariat. They have no legal status, but are recognised and even summoned by the Supreme Economic Council, and their resolutions are generally reproduced in its decisions. They are both interesting and important institutions in the reorganisation of production on a basis of national autonomous industries.

Private Enterprise

Under the New Economic Policy private enterprise is in no way obstructed in the largest area of Russian production—that is in agriculture,

home industry, and handicrafts (Kustarni). Large mechanical industry is nationalised, but its machinery and equipment may be practically privately owned, which obviously will cause complicated questions of ownership. All industry, national and private, is now on a business basis, but national industry is conducted and private industry in various degrees controlled in the interests of the National Economic Budget (Gosplan). National industrial enterprises can contract and even compete between themselves, but there is as yet little opportunity for such competition. On the other hand, the competition of private enterprise is encouraged in so far as it is a stimulant to the energy and efficiency of the national enterprises.

Competition of Public and Private Trading

Although under War Communism private property was in principle abolished and private capital wherever possible confiscated, yet with the introduction of the New Economic Policy private enterprise revived immediately and seemed to have all the financial resources it required. Private enterprise was indeed at first over-capitalised; and the result, combined with excessive profits, was a " boom " with all its usual accompaniments of profusion and profligacy.

Private enterprise having succeeded somehow or another in preserving or even accumulating reserves of capital under War Communism secured a great start under the new economic system in its competition with the co-operatives and Government Trusts. The co-operatives were slow in reorganising, and so private enterprise secured the greater part, in some cases the whole, of the new retail business. It may be of interest to trace the course of this competition in a representative manufacture and raw material.

In textiles, Government enterprises transacted in 1922—the first year of the New Economic Policy—about 60 per cent. of all retail trade, co-operatives about 6 per cent., and private traders 34 per cent. In salt the proportions were: Government, 33 per cent.; co-operatives, 20 per cent.; private, 47 per cent. But this start secured by private enterprise, owing to its being quicker off its moorings, was gradually lost as the co-operatives and Government Trusts got under weigh and gathered momentum. By 1923 we find the Textile Trust selling to its own Trading Syndicate 36 per cent. of its output instead of 12 per cent.; the Wool Trust 25 per cent. instead of 5 per cent.; the Linen Trust, which was left at the post, 2 per cent. instead of 3 per cent. While the general average of output taken by private enterprise was only about 20 per cent. In the following first half-year of 1923-4 the Government Syndicate took of cotton textiles 30 per cent., of wool, 45 per cent., of linen, 16 per cent., while private enterprise recovered a general average of about 30 per cent. In salt the official syndicate took as much as 47 per cent. in 1923, which, however, fell again to 30 per cent. in

the first half of 1923-4. The general recovery by private enterprise of some of its lost start is attributable to the stimulus given to trade by the stabilisation of the currency and the new economic relation with the peasantry that caused a growth of retail trade in the provinces, of which the big official enterprises could not take immediate advantage. Since then a slower rate of development and the extension of the activities of Government Trusts and trading into the smaller towns has given less favourable opportunities to the private trader.

STATE, CO-OPERATIVE, AND PRIVATE TRADE.

	Percentage of total trade, 1923-24.			
	1st quarter.	2nd quarter.	3rd quarter.	4th quarter.
Textile Syndicate and Trusts.				
Cotton yarn :				
State	39	30	34	30
Co-operative	17	34	44	56
Private	44	36	22	14
Linen yarn :				
State	86	77	93	89
Co-operative	3	11	3	5
Private	11	12	4	6
Woollen yarn :				
State	85	80	85	81
Co-operative	8	10	9	17
Private	7	10	6	2
Leather Syndicate and Trusts.				
Leather goods :				
State	30	25	30	24
Co-operative	36	35	38	47
Private	34	40	32	29
Sugar Trust.				
Sugar :				
State	24	21	23	21
Co-operative	49	51	61	74
Private	27	28	16	5
Salt Syndicate.				
Salt :				
State	23	13	15	9
Co-operative	37	51	68	81
Private	40	36	17	10
Oil Syndicate.				
Kerosene :				
State	30	31	42	29
Co-operative	33	31	20	41
Private	37	38	38	30
Total sales on Moscow Goods Exchange.				
Co-operative	7	14	18	25
Private	21	21	15	8

The above figures suggest that co-operatives are gaining ground on private trade, with results examined in the chapter on co-operatives. Private enterprise is fulfilling the function assigned it, of acting as pace-maker and pilot to State enterprise. For the New Economic Policy is based on the conviction that the principles of the Revolution and the predominance of the workers will be sufficiently secured if the State retains command of the bulk of the capital and credit in the country and of its foreign commerce. Also that State enterprise can only be made efficient if put on the same business basis as private enterprises and brought into free and fair competition with them. In this competition private enterprise opens the new fields, and as these new fields come to be organised and operated on a large scale State organisations gradually drive private enterprise further afield again.

So far as can be judged at present the superior economy and energy of the private owner will tell in small industry and retail trade, while Government credit and co-operation will prevent any considerable control of large industry by private capital.

According to one good authority (Larin, " New Commercial Policy," 1924, page 19) the restoration of private trade has been so rapid that by the end of 1923, in Russia proper, private traders conducted nine-tenths of the retail village trade, four-fifths of the retail town trade, and nearly half of the town wholesale-retail. This last figure is confirmed by official estimates for the whole Union, which show wholesale and wholesale-retail urban trade distributed: 57 per cent. to State trading, 9 per cent. to co-operatives, and 34 per cent. to private traders.

State and Private Manufactures

It is difficult within the limits of this report to deal with a comparison of State and private production. The following may give some idea of their present relationship: In the cotton textile industry 95 per cent. of the Turkestan crop was in 1923 taken up by the Trust (Turkkhlopkom), leaving only 5 per cent. for private industry, and of the Khoresm and Bokhara crops some 15 per cent. to 20 per cent. went to private industry. Of wool manufactures in 1923 22 per cent. to 25 per cent. were from private industry. In this industry private enterprise profited by want of solidarity as between State enterprises. In leather manufactures private industry in 1923-24 provided about 10 per cent. It would appear, moreover, that private industrials were often able to raise prices generally even with this small proportion of the business.

Middlemen

It is also noteworthy that of the wool used by the State Trusts only 30 per cent. was in 1923 bought direct from the producer and the remainder through private dealers. In the linen industry information on this point

is less detailed, but it appears that in 1923-24 of the five Trusts two are sufficiently equipped to get their raw material direct from the producer, the remaining three do so through middlemen. The leather manufacturing Trusts obtain their material wholly through middlemen.

Bread production was, in 1923-24, estimated as being still to about 27 per cent. in private hands. But this proportion was not growing, and Government enterprises lost no ground when the sale was entirely freed and the wheat tithe in kind was converted into a money tax. On the other hand, the supply of the two main centres of consumption, Moscow and Leningrad, was more than half in private hands.

But enough has been said on this point to give an idea of the present relation between public and private enterprise.

Profiteering

The large share acquired by private trading, while greatly facilitating trade, has led to some profiteering. The State Trusts are, it is true, restricted to a profit of 13 per cent. as between their wholesale and retail prices. But private traders have been found to be making as much as 33 per cent. at Kharkov, and 150 per cent. at Rostov, and the same articles were found to cost double at Rostov what they did at Kharkov. It seems quite possible, however, that the average difference between wholesale and retail prices is no more than 50 per cent. (as stated in a report of Rykov), which would compare well with conditions elsewhere.

Cases of exaggerated profits are also generally found to be due to a local and temporary excess of demand over supply. They were worse in 1923, a period before the currency stabilisation when prices included a large insurance against loss by depreciation of the rouble. They will no doubt disappear when industry can keep local markets fully and fairly supplied, also when the State trading and co-operative retail enterprises are more fully developed.

An outbreak of profuse private expenditure and profligacy in Moscow that resulted from the profiteering in 1922 and 1923 was sternly checked. Several thousand profiteers were banished from Moscow.

Future of Private Enterprise

The Communist Party is much occupied with proposals for checking such profiteering by " nepmen." But on the one hand it must be borne in mind that profiteering in Russia is mainly attributable to the present transition stage, and is in the aggregate and on an average much less excessive than in other countries, and, on the other hand, that there must be a greater difficulty in regulating private trading profits in Russia, even under Socialism, than elsewhere. For a calculation, unnecessary to reproduce, shows that of the total retail trade, 475 million gold roubles per

quarter, only 282 million passed through wholesale trade. The remainder, about two-fifths of the whole, passed direct from small producer to small consumer. Regulation of prices in this direct local trade can only be effected indirectly through competition of State trading concerns and co-operation.

The State Trusts should be able to compete advantageously with the private trader, because they can work on longer credit (one to three months in 1924 as against one month to a week for private trade); and because the State Trust can, if necessary, be content with a manufacturing profit only—cutting the whole commercial profit on which the trader depends. That the growth of private trading has reached its limit, and that private enterprise is turning now to small industries, is suggested by a comparative classification of the licences applied for in 1922 and 1923.

	Licences.			
	1922.		1923.	
For commercial enterprises	523	thousand	346	thousand
For industrial enterprises.....	162	„	243	„
For industrial occupations	313	„	423	„
	998	„	1017	„

Organisation and Regulation of Industry

The authority over industry is the Council of Labour and Defence (Sto) and its provincial and district economic authorities (Ekoso). General dispositions of this Council, enforcing the economic programme (Gosplan), are directly applicable. Otherwise decrees concerning industry are executed through the Supreme Economic Council and its local organs, the district bureau (Promburo), and the Provincial Councils of National Economy. The administrative authority of the S.E. Council over Trusts is very considerable, but over mixed and private companies is limited in principle to seeing that legislation and the terms of their concessions are observed.

At the last reorganisation of the S.E. Council the dual character of its responsibility for State Trusts was recognised by a division of its functions between a Central Administration of the national industry (Zubrom), which is a general administrative management of the whole national industry, and a Chief Economic Administration which performs the usual function of a Ministry of Industry in regulating industrial activities.

Gosplan

But the most interesting and, in some respects, the most important institution in the organisation of the economic activities of the Union is the so-called State Planning Commission (Gosplan). This novel instrument

for co-ordinating production and trade has its central department in Moscow with branches and agents all through the country. It has no executive or administrative powers, but its advisory authority is very great. Its approval is necessary for the framing of any economic policy generally, and its advice is sought by the administration before provision is made as to any State enterprise or expenditure.

The Central Council of " Gosplan " consists of 200 experts, picked for their practical experience, and it controls a whole body of sub-commissions, each dealing with some specific department. This body of experts plays no public part in politics. Their work, like that of a civil service, lies entirely behind the scenes. Their opinions are framed on the statistical and technical data that they collect daily. New plans and schemes for re-equipment and reconstruction are formulated by them in consonance with their general plan and in co-operation with the competent Departments and then carried out in consultation with the Commissariat of Finance in conformity with the possibilities of the Budget.

By means of the Gosplan it is possible to keep not only the policy of the Union but of the autonomous Republics subordinated to certain fundamental principles, such as balancing the Budget, and subject to the proper priority of investments of the national credit. In this way it is also possible to provide for new and necessary national schemes such as the electrification of all power and the standardisation where possible of all machinery, the centralisation of power and overhead charges, and the intensive development of agriculture—all matters which without the special attention of an expert authority would be overlooked in the competition for support of existing industrial and commercial interests.

In working out these schemes, the Gosplan is able to prevent one State enterprise from profiting to the prejudice of another and can direct the very complete control still retained by the Government over production and consumption, in the interest of the people as a whole. Thus it was due to Gosplan that the Government were able to handle successfully the " scissors " crisis, described later under agriculture, and so restore the economic exchanges between town and country to a healthy and natural operation. On the other hand it deals no less with such technical details as discovering the most suitable tractor for Russia or the application of American speeding-up systems.

The success of Gosplan largely depends, of course, on the Intelligence Service by which it keeps contact between the peasantry and the proletarian ruling class. So important is this that a wireless installation will shortly be set up with a special wave-length for this purpose alone. In fact, Gosplan is not only a novel department which has borrowed many of the most up-to-date features of the most up-to-date departments of the Western World, like the American Department of Agriculture, but is the official embodiment

of a new governmental element—a new Estate of the Realm. If the new Government of the Soviet System has its legislative and executive elements still somewhat indefinite and, in some respects, under-developed, its new expert element can serve as an example to the still chaotic conduct and control of the national economy in Western States.

Financing of Industry

By 1922-23 industry was beginning to finance itself, and in that year State Subsidies reached 123 million gold roubles. By 1923-24 this fell to 93 million gold roubles, and the estimate for 1924-25 is 71.9. In 1922-23 textiles were heavily subsidised, but in 1923-24 subsidies went for metal, coal, and for electrification. Receipts from industry on the other hand have increased from 4.4 million gold roubles in 1922-23 to an estimated 45.7 and realised 31.2 in 1923-24 and to an estimated 61.4 in 1924-25. Expenditure and revenue therefore in 1923-24 leave a deficit of about 62 millions and an estimated deficit of 10 millions in 1924-25. This seems to represent the facts, though other estimates reduce the deficit in 1923-24 to about 24 million gold roubles and show a surplus next year of 21 million gold roubles.

But a more important point than the actual financial balance is the manner in which the money is spent. The 10 millions spent on Don coal went to reducing fuel prices. The 1.7 million spent on oil went to building pipe lines. The large sum given to the metal industry is to keep it going only. And, in general, the subsidies might with advantage probably be increased.

Industry is perpetually clamouring for credits, and the Supreme Economic Council with the help of Gosplan does its best to give support when required. Thus the heavy metal industries desiring to increase production, without having profits enough to pay wages regularly, have been slowed down and have had to be helped. But in the interests of finance the programme of general output in 1924-25 has been reduced from 303 million poods to 273 million poods, which reduces the subsidy from 47 million gold roubles to 36 million gold roubles and additional credits from 90 million to 75 million gold roubles.

As the general State subsidy annually decreases bank credits more than take its place. In 1922-23, when the subsidy was 123 million gold roubles, debts to banks were 140 million gold roubles. In 1924-25, when it was 92 million gold roubles, the bank credits for the first nine months of 1924 were 351 million gold roubles.

Increase of Industrial Production

The result of the New Economic Policy in restoring production is best expressed in the following table, and is all the more remarkable when it is

remembered that this was accomplished in spite of one famine year and with practically no help from foreign finance:—

	ANNUAL PRODUCTION. (In thousand roubles.)	Per cent. of pre-war.
1912	3,489,892	100
1920	511,109	14½
1921	527,904	15
1921-22	753,633	21½
1922-23	1,127,381	32⅓
1923-24	1,490,400	42

The following are the percentages of present production compared to that of pre-war in certain leading industries:—

Heavy Industries.	Per cent.	Light Industries.	Per cent.
Coal	52.0	Electrical	59
Oil	63.6	Cotton textile	31
Minerals	8.0	Woollens	38
Cast iron	16.6	Linen	119.5
Metal (manufactured)	25	Paper	64.8
		Leather	54.5

Coal

The damage, amounting in some cases to destruction, by war of the Don Basin Collieries was one of the causes of the economic emergency in Russia. Of the 1,200 pits in operation in 1913, only 687 could still work in 1921. Enormous expenditure was necessary to re-equip these fields, with the following results:—

COAL PRODUCTION (GROSS).
(In millions of poods.)

	Total.	Per cent.	Don Basin.	Per cent.
1913	1,711	100	1,544	100
1918	709	41.5	541	35
1919	465	27.1	338	21
1920-1	472	27.5	286	18
1921-2	622	36.3	439	28
1922-3	696	40.7	494	32
1923-4	888.8	52.0	661	43

The net production gives even better results. In 1922-23, it was 503,461 thousand poods; in 1923-24, it was 723,187. At the same time the coal used or wasted in the mines, which was in 1922-23 as much as 23 per cent., was in 1923-24 no more than 15 per cent., showing proportional improvement in methods and management. Finally, the coal despatched rose from 461 million poods in 1922-23 to 612 million poods in 1923-24.

In the years 1919 and 1920 the Don Basin was continually under White occupation. The first year of return to normal conditions was 1922-23. Up to then colliers to a large extent went away in summer to the villages

owing to insufficient pay. The present production is sufficient to meet the present requirements of Russia. The undeveloped resources of the Russian fields are enormous and there is a large accumulation of supplies in excess of demand.

Oil Production

Oil production has been even more exposed to disturbance by civil war than coal. During 1918-19 Baku was in occupation of forces hostile to the Revolution. Since 1921 production has increased until the home demand is fully met.

OIL PRODUCTION
(In millions of poods.)

	Total.		Baku.		Grozny.	
	Production.	Per cent.	Production.	Per cent.	Production.	Per cent.
1913	553 ...	100	467 ...	100	73·7 ...	100
1920	233 ...	44	150 ...	32	75·8 ...	102
1921–2	284 ...	51	184 ...	39	87·7 ...	119
1922–3	322 ...	58	218 ...	46	91·7 ...	124
1923–4	363 ...	63	127* ...	54	43·7* ...	120

* Half-year only.

The industry this year has made no call on the Treasury; in contrast with last year when 23 million gold roubles were spent on re-equipment. The demands of transport and industry are fully met and large supplies await export (see report on Baku).

MINES

Production of Minerals

Iron Ore.—This is still an insignificant percentage of pre-war production. At present only 23 mines are working out of 122, and of late years industry has been supplied from pre-war accumulations. These are now nearly exhausted and a revival of production is in hand.

PRODUCTION OF IRON
(In millions of poods.)

1913	533,000	100 per cent.
1920	9,420	1·7 „
1921–22	10,895	2·0 „
1922–23	29,796	5·5 „
1923–24 (half-year) ...	20,950	8·0 „

Cast Iron.—In 1913 there were 140 furnaces at work, in 1921 there were 14, and in 1924 there were 28:—

PRODUCTION OF CAST IRON
(In millions of poods.)

1913	256,800	100 per cent.
1920	7,060	2·7 „
1920-1	10,185	3·9 „
1922-3	18,400	7·1 „
1923-4	42,645	16·6

Before the war, the southern region supplied 73 per cent., and the Ural 21 per cent. Now in consequence of civil war, the South only supplies 37 per cent., and the Urals 46 per cent. The Centre produces 25 per cent. of its pre-war production, the Urals 15 per cent., and the South only 3½ per cent.

Machinery

The production of metal manufactures generally is at present (1923-24) estimated as about 25 per cent. of pre-war. As it was found that factories were working at 15 to 20 per cent. of their capacity, the Trusts agreed to shut down nine of the 67 works, thereby raising the percentage of full capacity to about 40 per cent. in some.

Textiles

The importance of this industry lies in the prominent part it plays in the economic concordat with the peasants. In this case the industry suffered during the blockade from being cut off from its raw materials, the cotton of Turkestan and foreign wool.

TEXTILE PRODUCTION

(In thousands of roubles in pre-war values.)

1913	708,012	.....	100 per cent.
1920	69,514	.....	9·8 ,,
1921-2	110,985	.....	15·6 ,,
1922-3	174,106	.....	24·5 ,,
1923-4 (half-year)	109,866	.....	31·0 ,,

Even in 1922 these Cotton Textile Trusts made a profit of about 300,000 gold roubles. More recent results are not yet known, but prices have been lowered 30 per cent. Only 179 out of 210 factories are working, and at from 20 to 75 per cent. of their capacity.

Woollen and Linen

These industries are more prosperous.

	WOOLLEN PRODUCTION		LINEN PRODUCTION	
	(In thousands of poods.)			
1913.....	2,400	100 per cent.	2,093	100 per cent.
1920.....	530	22 ,,	531	25 ,,
1921-2.....	637	26·6 ,,	962	45·9 ,,
1922-3.....	889	37·0 ,,	1,823	87·0 ,,
1923-4 (half-year)	465	38·0 ,,	1,251	119·5 ,,

Consumption

The high prices produced by a return to a stable currency produced in their turn a drop in consumption, as is obvious from the following figures:—

CONSUMPTION OF INDUSTRIAL PRODUCTS

(Per head of population.)

Product.	Year 1913.	Year 1921-22.	Year 1922-23.	Year 1923-24.	Year 1923-24 as per cent. of 1913.
Sugar (Russian, lb.) ...	20.0	23.0	4.1	7.4	37.0
Salt „ „ ...	33.0	13.1	17.7	21.0	64.0
Matches (boxes)	25.0	6.7	11.5	14.0	56.0
Cotton fabric (arshins)	25.0	3.8	5.3	9.5	38.0
Pig iron (Russian, lb...	72.0	3.2	5.0	14.0	20.0

The Government accordingly took steps to reduce wholesale prices, which was done with remarkable effect as follows:—

PRICES OF INDUSTRIAL PRODUCTS

(Per cent. of pre-war.)

Product.	October 1st, 1923.	October 1st, 1924.	Reduction (per cent.)
Leather	322 ...	218 ...	32
Foods	325 ...	211 ...	35
Building materials	304 ...	208 ...	32
Metals	207 ...	177 ...	15
Textiles	271 ...	177 ...	35
Timber	187 ...	176 ...	6
Fuel	210 ...	173 ...	18
Electrical goods	176 ...	160 ...	9
Paper	179 ...	141 ...	21
Chemicals	175 ...	124 ...	29
Oils	117 ...	101 ...	14
All products	247 ...	177 ...	29

The result of this has been to stimulate demand so that factories can at present scarcely cope with it. But owing to the comparative slight control of the retail market, as yet obtained by State enterprise and co-operatives, retail prices have not correspondingly come down. This is a point to which attention is being directed.

Another such point is the cost of production, which, already too high, rose during the second quarter of the year, though it came down during the third quarter. In short, Government control is being directed at present to reducing costs of production and increasing output.

Electrification

There is a 15-year programme for the electrification of industry, which divides the country into ten regions, each with 31 regional stations giving about 1½ million kilowatts, and which includes the electrification of all railways and factories. This will save haulage of fuel—in Russia a

serious matter. For example, it is cheaper now to get English coal by sea for the supply of Leningrad factories than to haul it from the Don Basin.

Of this scheme there are already in operation the stations at Shatoura and Kashira supplying Moscow from peat and Ouktina supplying Leningrad. Work is in progress at Shatoura, Volkhov, Leningrad, Kiyelov, Nijhni-Novgorod, and Shklerol, which stations will be completed in 1925.

General Conclusion

Of all the compromises on which the Soviet regime is based, the first and most fundamental was the New Economic Policy. And just as it was evident to many members of the previous Delegation in 1920 that War Communism was an experiment that must get more and more extreme until it exploded, so the present Delegation have come to the conclusion that the existing economic system is not only viable, but has real vitality; that it does not stunt, but can even stimulate the economic recovery that peace has now made possible. Further, that the proportion of present production to pre-war compares very well with that of other continental countries, and that the superior energy and efficiency developed by the novel machinery of the Soviet Government compensates to some extent for the want of capital. Finally that foreign capital now supplied to Russia should give good returns to the investor and provide valuable resources of food and fuel to the consumers of Western nations.

CHAPTER IV

TRANSPORT AND AGRICULTURE

Travel in the Union

The traveller to Russia to-day will find the railway service again normal, and though some pre-war luxuries are still absent, yet in punctuality and in cleanliness there is considerable improvement. One member of the Delegation sleeping in a coach on a remote rural branch line suffered from verminous cushions, but his experience was unique in six weeks' travel.

The compromise as between Communism and comfort takes the form of two kinds of passenger coach, not distinguished as Class II. and Class III., but as " soft " and " hard." The " soft " means a carriage up to good second-class standard for day journeys or a similar sleeper for night journeys. " Hard " means wooden seats or berths. The place of a first-class is taken by " wagon lits," known as " internationals " on the familiar model; which run on the main lines, generally in connection with restaurant cars. The running times are practically pre-war. Cheap excursions are run to the Caucasus and the coast in the summer, and the arrangements for reduced fares to families and workers are very liberal. Fares are much lower than in England, and, within the Union, passenger traffic may be considered as comparing well with any Continental country. Pre-war facilities are not yet restored in communications between the Union and Europe. At present the only regular routes into the Union are through Latvia, Esthonia, or Finland. The steamer connections between Black Sea ports and Constantinople are quite unreliable in winter. The railway routes are reliable, comfortable, and comparatively cheap—a first-class fare from London to Moscow costs about £20 and the journey can be done for less than half that.

Ruin of Railways

But this is, of course, only a very superficial side of the transport question which is as vital a matter to the Union as it is to the United States. The wars—continental, class, and civil—had reduced the railways to ruin. By 1917 a quarter of the engines were broken down and the lines working were reduced from 70,000 to 52,500 versts, which again fell during 1918 to 20,000. The civil wars ruined 3,672 bridges, including those over the Volga, Dnieper, and other large rivers, 1,500 versts of line, hundreds of stations, and thousands of miles of telegraph and telephone lines—15,000

telegraph and telephone instruments being carried off by the " Whites." Nearly two-thirds of the engines and one-quarter of the trucks were damaged.

Rape of Shipping

Matters were as bad with sea transport. The docks and most of the ships fell into the hands of the " Whites," who burnt, sank, or carried away all they could—including 900 river steamers and 12,500 sailing vessels, barges, boats, etc. Sea shipping suffered even more. Sixty sea-going steamers, totalling 90,000 tons were destroyed, and 300, totalling 470,000 tons were carried away by the French and British forces in the Black Sea and sold by the French. More than half the total sea-going tonnage was thus lost, and the Black Sea was swept clean of steamer tonnage—a piece of piracy unexampled in modern history.

War Communism—Reconstruction of Railways

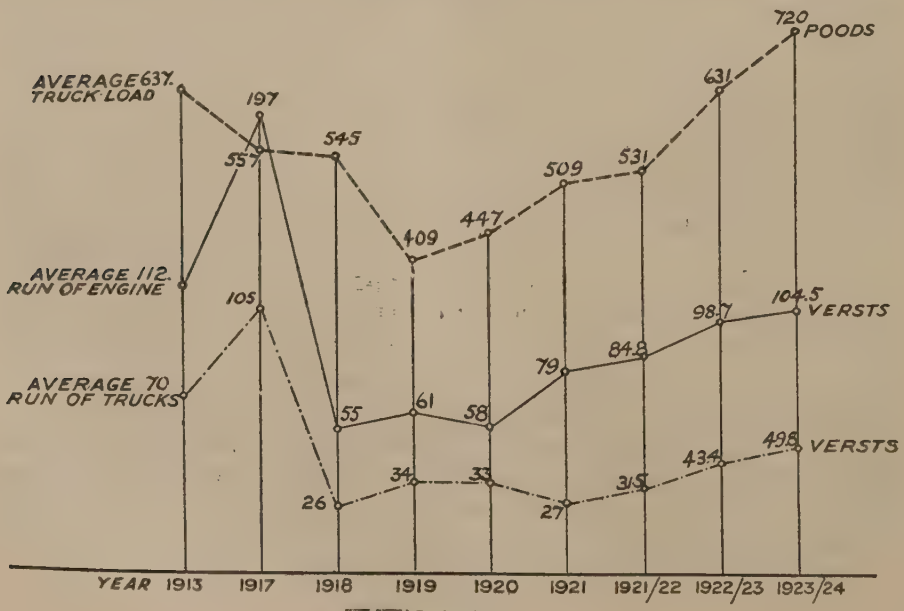
These figures may give some faint idea of the task that faced the Soviet Government—a far greater reconstruction of all transport with far less resources than in the case of any other war-ruined people. But it was begun in 1920, a year before war finally ended, and the Delegation in 1920 were much impressed by the labours of the " subbotniki," or voluntary workers, and the gaily-decked engines that were the result of their overtime. This was the period when the slogan (losung) of War Communism was " all hands to transport," and the results of this concentration on the transport front were remarkable. Popular energy and enthusiasm was worked up by a " war propaganda," and kept alive by daily bulletins of " sick " engines cured or convalescent and sound engines reconquered from the enemy. One of these bulletins shows that in January, 1920, the total number of engines was 9,438, of which 3,833 only were sound. In November, with final peace, there were 17,799, of which 7,451 were sound; practically all the additional recaptured engines having been damaged. The number of trucks in January, 1920, was 258,729, of which 204,983 were damaged, and in November 419,455, of which 320,309 were damaged. To give traffic a start 1,700 engines were ordered in Germany and Sweden in 1921, with 500 tank cars in Canada and 1,000 in Germany; but otherwise the repair shops kept pace with requirements. At the end of 1923 there were in reserve 2,734 sound engines and 60,724 trucks. Efforts were next concentrated on repairing the permanent way and bridges, and by the end of 1921 only 12 bridges were still impassable.

War Communism—Shipping Reconstruction

The reconstruction of river shipping was no less rapid. By the end of 1921, there had been repaired 1,360 steamers and 1,719 vessels, and refloated 76 steamers, 593 vessels, and two dredgers, while an ambitious programme of new construction was undertaken.

Transport Reorganisation Under New Economic Policy

War Communism thus made a good beginning, but the introduction of the New Economic Policy required a complete reorganisation of transport reconstruction on a business basis. Thenceforward reconstruction had to be treated as a business investment not as an " internal front." The transition took time and was first formally enforced by a decree in January, 1922. The operation involved a complete reorganisation and considerable decentralisation of the Commissariat which was coupled with a technical planning Commission (Transplan). Attention was then concentrated on making the railways and shipping pay in accordance with plans for a ten years development. Steady progress has been made with this task and is perhaps none the worse for showing less sensational results than the feverish "offensives" of War Communism. For example the fuel expenditure has been reduced until it is 1.42 kopecks per 100 engine versts as compared with 1.03 kopecks pre-war, which is not bad after making the appropriate allowances. Damage and defalcations of freight which, in 1921-22, was as high as one pood per 50,000 pood versts has been brought down to 125,000 in 1922-23, and 750,000 pood versts in 1923-24. The improvement of the permanent way was continued; 17,000,000 sleepers being relaid, and all temporary bridges replaced by permanent. The reconstruction work can now be considered as practically complete, and the present task is to make the railways pay. This is largely a matter of making working more economical by running full loads. The average load pre-war was 66,000 pood versts, in 1923-24, it was about 22,000, in 1927, it is planned to be 33,000, i.e., half as economical as pre-war. The annexed graph shows the improvement in working conditions:—



The progress towards running the railways at a profit can be seen in the Budget (v. Finance). In 1922-23 the Government subsidy was 28.9 per cent. of the total expenditure, including re-equipments, etc. In the present Budget the railways appear to be paying their way.

Shipping Reorganisation

Shipping is still in a more backward condition—though internal navigation seems adequately restored, and its economic efficiency is shown to be double that of 1922.

In the Baltic, tonnage increased since the organisation of regular services in the middle of 1922, from 785,742 poods for the first half of 1922 to 7,959,028 poods in the second half, and nearly 20 million poods in 1923. In the Black Sea and Sea of Azov the average monthly freights which were 385,000 poods in 1921 and 990,000 poods in 1922, after the running of regular services in 1922 rose to nearly two million poods. But though this sea-transport continues to increase it is greatly hampered by want of tonnage and construction programmes are being pressed forward. One of the Delegation crossed the Black Sea in one of the Russian regular service to the Straits and Syria and found the steamer clean and comfortable.

General Conclusion

It seems clear that the reconstruction of Russian railway transport is fairly complete and that railroads have been put on a paying basis. But that want of capital may delay profitable developments; and has already delayed, to the great disadvantage of foreign commerce, the reconstruction of shipping and the restoration of the steamer communications between the Union and foreign ports.

AGRICULTURE

Russian Agriculture and the Revolution

Russia is an agricultural country. Of the population 90 per cent. is agricultural. The pre-war export was three-quarters agricultural products, the import two-thirds for agricultural requirements.

All the same, until the Revolution, the position of the peasantry was deplorable. They only owned one-third of the land, and that mostly the worst, and the landlords kept them in a state of semi-serfage. Besides, of the land owned by the peasant, a large and growing proportion was in the hands of large farmers (kulaks) who were continually reducing the middle-sized holders to small holders and the small holder to a labourer (batrak).

Nothing was done to put the peasantry in actual possession of the land until the Bolshevist Revolution. On the 14th February, 1918, an Act socialised the land by (1) abolishing in principle private property in land; (2) fixing standard holdings in different regions, and (3) abolishing rent and hired labour. By 1919, 96 per cent. of the land was in the hands of the peasantry, and 4½ per cent. under communal exploitation.

As to the equalisation of holdings, the following table shows the results of the Revolution and the policy subsequently followed of checking the acquisition of small and middle holdings by the kulak or large farmer:—

	1905.		1922.
Small holdings	22·6 per cent.	.....	21·4 per cent.
Middle holdings	41·8 „	.....	66·2 „
Large holdings	35·6 „	.....	12·4 „

In Bessarabia, on the other hand, the large estates of nobles, holding under Imperial grants, were also broken up at the Revolution. But since then the country has been occupied by Roumania, and large numbers of small and middle holders have been driven by pressure of taxation to sell both their new and old land to the kulaks.

The ruin caused by the counter-revolutionary campaigns, which affected the most productive regions, and the restriction of cultivation caused by the confiscation of crops under War Communism, brought Russian agriculture to a condition that threatened general famine. By 1920 the area under cultivation fell to 60 per cent. pre-war and in 1921 to 54 per cent. But Lenin had already been preparing Communist opinion for the necessity of a New Economic Policy. He saw that the peasant, no longer threatened with a restoration of a reactionary Government that would deprive him of the land itself, would no longer tolerate a revolutionary Government that deprived him of the fruits of his land.

Restoration of Agriculture

The first efforts of the Government were emergency measures to deal with the catastrophic consequences of civil war and famine—such as distribution of seed corn and potatoes. These measures reached their maximum in 1922. But there is still much to do in restoring the areas devastated. So much, however, has been done, that the Government outlay on agricultural restoration is now annually changing its character from that of relief and re-equipment to that of reconstruction by general electrification and technical education.

The New Economic Policy was, as explained by Lenin himself, introduced with a view to putting the relations between the proletariat and peasantry again on a business footing. Requisitions were replaced by a tax on agricultural produce rated according to taxable capacity and on a basis of ten per cent. of the gross production. And it is to be observed that under Tsardom the peasant was taxed, on an average, 30 per cent. of his production. Since the restoration of the currency, 1923-24, this tax is paid in money.

In return, the Government not only allows, but aids the peasant to market his produce at the best price and uses its economic control of industry to see that the peasant gets in return for produce a fair value in goods. This is the new economic contract or " clamp " (smytchka) between proletariat and peasantry.

The peasant was, moreover, not only given full disposal of the fruits of his land, but the vague tenure he had held under the Land Nationalisation Act is now defined in a manner entirely satisfactory to him. He is allowed to exploit his land as he pleases, to separate his holding from the community, to increase it within limits, and to hold it in perpetuity. He can lease it for not more than six years and hire labour to work it within limits. By these and other provisions of the Land Code, the State is guarded against the re-development of a landlord class, and the peasant is guaranteed all the liberty he wants in using the land.

It will be seen that agriculture is being restored on conventional lines, and that the Communists have had to renounce any rapid realisation of their programme of equalisation of holdings and of communal cultivation. It is hoped that co-operation may fill the gap and give such help to the small holder and labourer as will enable them to improve their standing. The money tax, which has replaced the tithe in kind and the original right of confiscation, is moreover proportioned, like an income tax, to the means of the peasant; and holders of less than ten dessiatines are exempt.

Area Under Cultivation

As a result of this re-orientation there has been an immediate revival of agriculture.

A comparison of the present total cultivated area with pre-war gives the following results:—

Year	Area of U.S.S.R. (Millions of dess.)
1913	97·5
1916	90·7
1922	63·5
1923	70·0
1924	75·5

The decrease by districts in cultivated area as between 1913 and 1923 and the present rate of increase are shown below:—

Area under cultivation. Region.	Cultivated area in millions of dessiatins. 1913.	1923.	1928 (estimated on present rate of progress).
North-Eastern	0·8	0·7	0·9
North-Western	1·9	1·6	2·2
Western	5·3	4·6	6·3
Central Industrial	8·4	6·8	9·0
Oural	6·7	4·4	6·5
Central Agricultural	9·2	7·3	8·4
Middle Volga	9·9	6·0	8·4
Lower Volga	7·7	4·3	6·5
North Causasian	11·4	6·0	10·3
Siberian	6·9	5·1	7·2
Kirghiz	3·8	2·1	3·8
Wooded Steppes	11·0	10·0	12·3
Steppes	12·0	10·4	12·5

This shows a decrease in area of cultivation of nearly 28 million dessiatines since pre-war, and an anticipation that within five years

cultivation will again be beyond pre-war in area and extending itself at an annual rate greater than pre-war. Other statistics show the following increase in cultivated area since the famine years of 1920 and 1921:—

AREA UNDER CULTIVATION
(Percentage of 1916.)

Region.	1922.	1923.	1924.
Consuming	88·4	93·1	101·4
Producing	59·1	76·1	84·0
South-East	54·8	71·6	73·9
Kirghiz	45·7	45·5	49·9
Siberia	78·8	87·1	95·1
R.S.F.S.R.	64·6	77·6	81·7
Ukraine	78·1	91·3	97·4
U.S.S.R.	70·0	77·8	83·2

The following table gives the rate of increase since 1920, which shows that it is still slow in the surplus regions of the South-East, which used to grow for export. An increase of the British demand would increase supply:—

(Percentage of 1920.)

Region.	1921.	1922.	1923.	1924.
Consuming	113	128	135	147
Producing (non-famine provinces)	103	114	131	131
South-East (non-famine provinces)	104	98	112	112
Siberia	75	53	59	65
R.S.F.S.R.	96	94	105	109
Ukraine (non-famine provinces)	100	97	97	102
U.S.S.R.	97	95	103	107

Population and Stock

The agricultural population of the Federation, which was 109½ millions in 1916, had fallen by a million in 1923. The head of horses had fallen from 31 millions to 19½ millions, of which 16 millions were farm horses. In the Southern and Siberian regions the loss of horses was as much as one-half, a most serious matter. Cattle decreased from 50 million to 33 million in 1921, rising again to 38 million in 1923. Pigs similarly fell from 19 millions to 7 millions, rising again to 8 millions. All these decreases are disproportionately heavier in the regions affected by civil war and the famine. The following figures show a similar result in percentages:—

FARM STOCK
(Percentage of 1922.)

Animals.	U.S.S.R.		Famine area.	
	1923.	1924.	1923.	1924.
Horses	99·5	110	121	133
Cattle	110	132	145	185
Sheep	105	128	174	233
Pigs	106	196	229	662

QUANTITY OF FARM STOCK
(Percentage of 1916.)

Animals.	1924.	Animals.	1924.
Working horses	72	Bullocks (over two years)	61
Cows	99	Sheep	83
Oxen	69	Pigs (up to one year)	100
Calves (up to one year)	91	Pigs (over one year)	58
Bullocks (under two years)	97		

WORKERS' REST HOME IN SAROSLAV

In the famine areas the number of working horses is now 50 per cent. of pre-war, cows 83 per cent., sheep 116 per cent., and pigs 70 per cent. of the pre-war number.

The loss of agricultural machines can only be roughly estimated at about 50 per cent. Moreover, as the life of such machinery is normally only 15 years, much of it is now used up. The improvement in agriculture has created a great demand for agricultural machinery and implements. The sales of machinery by the Gosselsklad (a machinery-supply organisation of the Commissariat for Agriculture) have risen from 6 to 13 million roubles. It is through supplying Russia with agricultural machinery that British commerce would be conferring a great benefit on a hundred million Russian workers and creating new markets for over a million British unemployed.

The importance of Russian grain to the population of Great Britain lies not only in the immense increase of supply possible with our help, but also in the fact that this grain, controlled by a Socialist State, cannot be included in the operations of profiteering rings.

Methods of Agriculture

An investigation by an advisory delegate of conditions in the villages of the Ukraine wheat-growing area showed that nothing was now wanting but capital to produce an immense increase in production. The ruined villages and towns were again repopulated and reconstructed and the pre-war area of cultivation was being rapidly again brought under cultivation by pre-war methods, which owing to primitive machinery give a very low percentage of production in Russia from soil of first-rate fertility. But the present conditions would now admit of cultivation by modern American methods. The individualism of the peasant-owner, that received a great stimulus from the distribution of land at the Revolution, is yielding to various influences. One such is the Communist education in the schools, in the Red Army especially, and through the local Communist " cells " and " centres." And this education in the advantages of collective production has less to contend with in Russian peasant life, which still retains much of its mediæval communal character. Another powerful influence is force of circumstances. The new Communities now starting in the ruined districts without other resources than their own labour, fertile land, and a few primitive tools, can only exist on a Communal basis. One such Community with a common table and all property in common was visited in Russian Moldavia, one of the worst ruined areas. These people were struggling to get a bare living with the help of a camel and a cow out of some of the richest land in Europe. Some of these were educated people, and the only thing wanted to make the Community not only prosperous but producing for export was a little capital or credit to get a tractor.

Tractors

The tractor is itself an instrument for creating such methods of co-operative and communal farming as must be adopted if outside capital is to be obtained and used to the best advantage. Thus villages join together in special co-operatives to buy a tractor, and they then organise communal tillage to get the best use of it. One described the results somewhat thus: " We sent Peter, Paul, and Andrew to the tractor-drivers' class at Odessa last winter, and this summer we got a tractor. Now, Peter sits on it and ' b-r-r-r ' all the morning—four hours out and four hours back—Paul sits on it and ' b-r-r-r ' all the afternoon—four hours out and four hours back—and Andrew sits on it and ' b-r-r-r ' all night." That is three furrows in the 24 hours, eight miles long each.

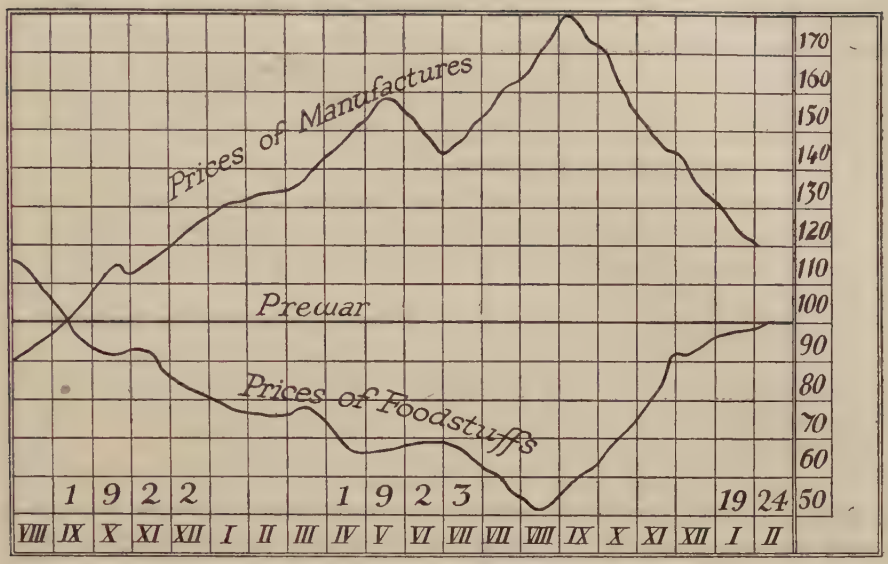
Six thousand American tractors are to be delivered, mostly at Odessa, this winter; and 3,000 drivers will have been trained by this spring. The tractors plough at a rate of five roubles per dessiatine, whereas horse-ploughing costs 80 roubles. The tractor-ploughed land yields on an average 15 poods per dessiatine more. What Russia wants is tractors on as long credit as possible; and they would be a most profitable investment for countries with a surplus of capital and a deficit of food supply.

The Russian Government is doing what it can. Schemes for improving breeds, dry farming, drainage works, and irrigation are under way. The estimates for the current year assign to the financing of agriculture 62 million gold roubles, of which 35 millions go to raise the capital of the agricultural bank to 90 millions. Add to this 48 millions spent in relief and you find that most of the proceeds of the agricultural tax are being reinvested in agriculture.

The "Scissors" and the "Clamp"

The New Economic Policy substituted a new business relationship of free and friendly bargaining for the War Communist Policy of conscripting peasant labour and confiscating most of its produce. The peasant could again sell his produce and buy town products. He paid taxes and got in return the advantage of a good government. But this new contract or " clamp " (smytchka) between the proletariat and peasantry was hardly in working order before it was almost broken by an economic strain. This was the so-called " scissors " crisis, a symbol suggested by the ascending curve of rising prices in manufactures and the descending curve of falling prices in agricultural produce as shown in the diagram. These simple technical symbols—" scissors," " clamp," etc.—are very illustrative of the success of the Russian leaders in giving public opinion a grasp of the economic essentials underlying political problems. Under a party system the conflicting interests of peasants and proletarians would have been exploited and exaggerated in platform slogans. The speeches on it of Rykov and Kamenev are popular lectures on economics.

The "Scissors" Crisis



NOTE.—The pre-war par value is adjusted for purpose of comparison.

The political importance of the scissors problem was that as the "scissors" opened they forced apart the "clamp." The peasants could not pay for their necessities of life, so began again to stop producing. The State, therefore, exercised its economic control of prices and its subsidies to the co-operatives so as to reduce prices of manufactures and raise prices of agricultural produce. The burden involved for the Budget is shown thereunder. As appears from the diagram the "scissors" have now been closed. Indeed the authorities had soon to reverse engines, so to say, in order to check the momentum acquired.

Crops in 1924

(*a*) FLAX.—The flax harvest for 1924 was good, being 7¼ million poods as against 5½ million last year.

(*b*) COTTON.—The area under cotton in 1924—446,974 dessiatins—was more than double that of last year, without counting the area under private cultivation, which is not included in the returns. This is divided as follows: Turkestan, 283,668 dessiatins, of which 117,965 are in the Fergana region; Bokhara, 45,601; Khoresm, 9,100; Azerbaijan, 89,269; Armenia, 16,500; Georgia, 2,836. The crop was much injured by bad weather and will be about the same as last year—5,330,000 poods. Irrigation and drainage works in the Amu-Darya region promise well, and will add in the first place by irrigation 540,000 hectares, and eventually by drainage some 1,200,000 hectares, mostly gained by lowering the level of the Sea of Aral

14 metres, at a total cost of about six million sterling. The average value of the crop is about £20 a hectare. Further, the construction of a railway from Aulieta to Pishpek in Turkestan has connected up the cotton area with the general system. This railway of 250 versts was built within a year, and will be continued to Kuldja on the Chinese frontier, making a Central Asian connection between Moscow and Shanghai. But the main object of the line is to bring in grain and take out cotton.

(*c*) GRAIN.—The failure of the 1924 harvest is only locally serious. The whole is 15 per cent. less than 1923, which was over average. Russian demand is said to be assured, and there will be, it is said, a surplus of several million tons of grain.

The following figures are official but subject to revision and reserves:—

	Area.	Population.	Crop.
Harvest bad	10 million dess.	12 million	157 million poods
Harvest below average ...	30 „	37 „	1,137 „
Harvest above average ...	36 „	50 „	1,130 „

At the same time there is an ominous precaution in the estimates for 1924-5 of 48 million Soviet roubles for famine relief. But as the recent famine showed, owing to the great size of the country, it may be more economical to export from a surplus region and support a deficit region with the proceeds. Any decrease in buying power of the peasantry due to unsatisfactory crops will, it is hoped, be discounted by the following factors. The rise in the price of grain to more than double that of a year ago, the continued fall in prices of industrial products, the increased area under cultivation, and the final and full effects of the introduction of a stable currency.

The possibilities of agricultural development can be understood when it is realised that a large part of Russian arable land is the best soil in Europe and yet produces only one-third of what is got from the very inferior land of Belgium and Germany—while an increase of only one-tenth in the productivity would mean an annual addition of 500 million roubles to the national income and the possible export.

General Conclusion

Russian agriculture is recovering slowly but steadily. And the governmental help that is being given it seems energetic and efficient. The bad harvest of last summer and the damage done to crops during this winter may cause local famine, but adequate precautions seem to be in preparation.

CHAPTER V

FOREIGN COMMERCE

Organisation

Foreign commerce has been, since the Revolution, a Government monopoly. But the new economic policy made—in foreign eyes a derogation from, in Russian eyes a development of—this principle, by delegating the conduct of foreign commerce in part to private enterprises and to private capital under Government control. Foreign commerce is now, under decree of October 16th, 1922, conducted through :—

1. **Official Establishments,** such as the Gostorg, the Commissariats, Syndicates and Trusts, and also such other official organs as get permits to trade.

2. **The Co-operative Commercial Organisations,** such as Centrosoyouz, Selskosoyouz.

3. **The Mixed Companies** which can again be sub-divided into (1) combinations of official establishments for purposes of foreign trade ; (2) companies in which private foreign capital participates ; and (3) companies with private native capital.

4. **Private companies and persons trading under licence for a specified period and purpose.** The present policy is to give such private licences for a specified period mainly for export, and not to let the total turnover exceed 3 per cent. of the total turnover of foreign commerce. In their case the Government does not participate in the capital but in the profits.

The operations of all these organisations must conform to the general programme of the Minister of Foreign Commerce, which itself must conform to the national economic budget of the Supreme Economic Council. Within these limits the various official and semi-official organisations enjoy an economic autonomy and are responsible to their public and private shareholders for showing a profit in their turnover. Official, semi-official and private enterprises are supervised by a Director of Commercial Enterprises and Establishments, and the controlling authority is thus quite distinct from the conducting authority.

The Government organisations themselves operate in foreign markets through an official agency in each foreign capital (Torgpredstvo), such as

Arcos in London. These agencies by displacing the foreign exporter and buying from the producer are intended to acquire the middleman's profits for the Government account.

It follows that private capital is only admitted to foreign trade in insignificant proportions and provisionally. Official opinion believes that in time, as the State technical trading organisations develop, foreign trade will again be wholly conducted and not merely wholly controlled by them. The present proportion is :—

	Export.	Import.	Total.
1. Government Establishments	54.2%	73.7%	64.1%
2. Co-operatives.....	17.5%	8.3%	12.8%
3. Mixed Companies	25.0%	15.3%	20.1%
(a) of which latter, State Companies.....	(17.4%)	(4.1%)	(10.7%)
4. Private Companies and Persons .	3.3%	2.7%	3.0%

From this it is evident that the Government has directly in its hands still (64.1 + 10.7) three-quarters of foreign trade. A further analysis shows :—

	Export.	Import.	Total.
Government Establishments :			
Gostorg	36.5%	15.8%	26.0%
Trusts and Syndicates	10.3%	35.7%	23.0%
Co-operatives :			
Centrosoyouz	25.0%	15.3%	20.1%
Mixed Companies :			
With Foreign Capital.....	6.1%	9.9%	8.0%
With Russian Capital	1.5%	1.3%	1.4%

From which it is clear that the Trusts and Syndicates, as well as the Mixed Foreign Companies are more concerned with import, but Gostorg and the Co-operatives with export.

Foreign Trade With Russia

At present the tendency is still towards an increase in concessions to private enterprise from the Government monopoly. Thus, in 1923, the Mixed Companies increased in number. There are at present 15 Mixed Companies operating, of which four operate in transport and four in timber. Two more have just been licensed. Of these, six are German,* two Austrian, and the English, Dutch, Norwegian, Turkish, and Persian have each one. One is mixed

* In view of statements ("Morning Post," November 18th) that the important German concessions have failed, the following report of the Soviet mission in Berlin is given : "In answer to your inquiry relating to the German agricultural and timber concessions in Russia, I have to inform you that the concessions of Wirth and Haas (Mologa Gesellschaft) are working very successfully, all of them extending their operations and accumulating additional capital. Relations between the concessionaires and the Soviet Government departments are of the most favourable character. Krupps are working most satisfactorily on the Don. Rheinbaben expresses itself entirely satisfied with the concession in the German Volga region. The Zatbaugesellschaft is rapidly and successfully developing its work in the Kuban. In short, the communication of the 'Morning Post' represents a sheer invention."

Russian and foreign, and three are mixed English, German, and Dutch. Although the United States have no official relations as yet with the Union, a Mixed Company, "Amtorg," has been formed under American law, and trades direct with the Commissariat for Foreign Trade in cotton, rubber, tractors, etc., as against furs. The total trade of foreign firms in 1923-4 was 40,728,000 gold roubles, of which 20,154,000 gold roubles was export, as against, in 1922-3, 13,599,000, of which 4,736,000 was export. The policy is to organise one such "Mixed Company" at least for each country in commercial relations with Russia, with the object of attracting foreign capital. But this has had little success so far. Another object, the attraction of experts, has also been disappointing, as it is found that the conditions in Russia are so novel that a trained expert takes longer in learning to work them than a novice. None the less a renewed effort is now being made through the agencies abroad to engage foreign trading and technical experts.

Foreign firms operate under a decree of 12th April, 1923, with a concession from the Concessions Committee. Their rights and responsibilities are defined under an instruction applying the decree above mentioned, a translation of which will be found in the "Russian Review" for 6th December, p. 361.

In this connection, it may be observed that the sending to Russia of agents except for purposes of inquiry and report may at present be a useless expenditure. Business can best be opened through the official agencies. But Mixed Companies serve as a useful liaison between the Russian producer, consumer, and foreign capital.

Statistics of Foreign Trade

In respect of the foreign trade statistics, it is even more difficult to report than in other regions owing to the complete novelty of the system, to the mass of material for investigation, and to the absence of convenient summaries; also to the discrepancies in the statistical data and the divergencies in the method of their compilation. Figures are given with all reserves.

Exports

The character of Russian exportation is as follows :—

	Percentages of total value of exports.			
Period.	Foodstuffs.	Raw and semi-manufactured goods.	Manufactures.	Total.
January-June, 1922	5·3	89·3	5·2	100
July-December, 1922	5·2	91·6	3·2	100
January-June, 1923	50·4	48·1	1·5	100
July-December, 1923	61·6	37·9	0·5	100
January-June, 1924	56·2	43·6	·2	100
July-December, 1924	56·8	43·0	·2	100

The main source of export is agriculture, about 80 per cent. of the total, which has now reached 75 per cent. of its pre-war value, with a total of 230,000,000 gold roubles. The programme for this year contemplates a total of 500,000,000, or over double that of last year. The programme includes butter, eggs, fowls, and game, all products which Great Britain used to export largely.

The fur trade is again developing, its resources having been enormously increased by a ten years' suspension, and this year it will reach 30,000,000 gold roubles. Timber accounts for about a fifth of the whole, and its resources are comparatively inexhaustible. Of the other main branches of trade, the oil export is at present hampered by the operations of the principal oil combines, but is developing rapidly, as also is flax export.

It is interesting to note that about 20,000,000 poods of grain were exported to Germany and to France, and only one million to Great Britain. On the other hand, Great Britain took more than half the timber exported.

Estimates of the Commissariat of Agriculture for the general economic programme anticipate the following development of exportation : that grain export will, within four years, reach two-thirds of pre-war—that is, that it will in 1924 reach 220,000,000 gold roubles and in 1928 reach a value of 400,000,000 gold roubles—that flax and such-like products should reach three-fourths of pre-war and a value of 150,000,000 gold roubles, while animal products should reach 200,000,000 gold roubles and par with pre-war.

Exportation caused a rise in prices, especially of grain, which was of great value in helping to " close the scissors " (see Industry), and it seems that prices have now been raised as high as further business allows. The authorities controlling foreign commerce are accordingly directing their attention to administrative economies, and expedients for lessening overhead expenses and quickening the turnover of capital.

Imports

Importation during 1922-23 was decreased very considerably. This decrease was almost entirely in the first half of the period and was due to economic policy.

The result was that an adverse trade balance was converted into a considerable surplus value of exports over imports :—

(In 1,000 roubles.)

1921-22.		1922-23.		1923-24.	
Import.	Export.	Import.	Export.	Import.	Export.
269,799	81,621	144,056	206,811	208,000	340,000
— 188,178		+ 61,762		+ 132,000	

WORKERS' SANATORIUM

The figures for 1923-4 in greater detail are as follows :—

EXPORTS AND IMPORTS, 1923-24.

MILLIONS OF GOLD ROUBLES.

EXPORTS.	Value.	Per cent. of 1913.	IMPORTS.	Value.	Per cent. of 1913.
1. Food Products.			**1. Raw Materials and Semi-manufactures.**		
(a) Grain	145	25%	(a) Cotton	53	56%
(b) Butter	21	28%	(b) Others	73	—
(c) Eggs	9	10%			
(d) Miscellaneous .	21	—			
	196			126	
2. Raw Materials and Semi-manufactures.			**2. Manufactures.**		
(a) Oil	44	77%	(a) Paper	12	35%
(b) Timber	38	22%	(b) Others	70	—
(c) Other Exports	62	—			
	144			82	
Total exports	340.		Total imports, 208.		

FOREIGN TRADE OF THE U.S.S.R., JANUARY TO JUNE, 1924.

(In 1,000 roubles at 1913 prices.)

I.—IMPORTS.

Countries from which imports received.	Trade categories. Foodstuffs.	Raw, semi-manufactured, and live stock.	Manufactures.	Total.
Germany	217	12,533	9,689	22,439
Great Britain	797	17,898	3,131	21,826
U.S.A.	240	12,120	3,131	15,491
Sweden	189	50	3,518	3,757
Finland	42	1,130	1,905	3,077
Persia	25	2,083	1	2,109
China	2,097	—	8	2,105
Esthonia	70	36	1,992	2,098
Norway	1,226	139	301	1,666
Poland	6	363	1,272	1,641
Austria	—	97	1,244	1,341
France	13	866	368	1,247
Australia	459	752	2	1,213
Latvia	86	544	235	865
Holland	309	130	13	452
Turkey	68	62	305	435
Italy	118	204	79	401
Belgium	—	—	186	186
Denmark	4	50	77	131
Other	242	626	600	1,468
Total (all countries) ...	6,208	49,683	28,057	83,948

II.—EXPORTS.

Countries to which exports despatched.	Trade categories. Foodstuffs.	Raw, semi-manufactured, and live stock.	Manufactures.	Total.
Germany	21,087	7,601	9	28,697
Great Britain	6,307	14,831	29	21,167
Latvia	8,082	11,382	85	19,549
Turkey	3,738	8,630	85	12,453
Esthonia	5,421	4,159	16	9,596
Italy	6,184	3,125	—	9,309
Holland	5,766	1,513	—	7,279
Denmark	6,355	791	27	7,173
Finland	5,812	76	—	5,888
France	3,875	1,804	—	5,679
Belgium	1,658	2,931	3	4,592
U.S.A.	1	3,948	48	3,997
Poland	221	1,626	5	1,852
Sweden	1,120	431	—	1,551
Norway	842	56	—	898
Egypt	—	391	—	391
Other	8,060	2,191	83	10,334
Total (all countries)	84,529	65,486	390	150,405

Regulation of Trade

(a) **Customs Tariff.**—In view of the complete control and partial conduct of foreign commerce by the Government, the customs tariff has lost much of its importance as a measure of protection for home industry and much of its use for revenue purposes. Because protection can be given to any extent to any enterprises by manipulation of the economic programme (Gosplan). And when more than three-fourths of the profits of commerce go to Government account, there is little profit in taxing them.

Thus in the latest tariff, there is a very considerable departure from all-round protection in the interests of an increase of production and of consumption. For example, agricultural manures and machinery especially, and generally all raw materials and machinery required for industry, are lightly taxed. There has also been a reduction of duties on articles whose importation seems to be in the public interests, such as tea, on which duty has been lowered 40 per cent.

(b) **Commercial Programme.**—It is obvious that not only this policy of controlling foreign commerce in the national interest, but even the whole principle of conducting foreign commerce through official organs depends for its success on establishing the Programme of Foreign Commerce for the whole Union on an economic basis that represents realities. This requires a structure of statistical information at home and abroad and of systematic investigation of every requirement of the vast and complicated inter-

ramifications and inter-relationships of commerce that will take years to complete. And it will always be dependent for its actuality on the General Economic Programme which is itself only in process of organisation. So far, though progress is remarkably rapid, there is general recognition that until a year ago the general Commercial Plan was largely guess work. There was even some question whether a general plan was possible at all, or whether a general policy, for example, of encouraging exports and restricting imports, was not the most that could be attempted. And the first plans under the New Economic Policy seemed to confirm this scepticism. Thus, that for 1920-1 was entirely re-cast at least three times in the course of the year.

But already the results of 1922-23 suggested that a plan on broad lines was possible. For example, the plan estimated an export of 228 million gold roubles and the actual exportation was 210.6 million gold roubles. When, however, its details are examined, the difficulties due to insufficient data and incalculable factors, such as abnormal political strain and economic stress, are expressed in wide divergences between the planned allotments and the actualities. Taking the last figures we find as to exports :—

In Million Gold Roubles.

	1922-23.		
	Assessed.	Actual.	Difference.
Grain	12.7 ..	31.3 ..	+18.6
Down	12.0 ..	33.5 ..	+21.5
Oil Products	27.0 ..	19.5 ..	— 7.5
Flax	30.0 ..	13.2 ..	—16.8
Raw Hides	7.5 ..	2.9 ..	— 4.6
Total Exports	228.0 ..	206.6 ..	—21.4

These divergences were due to want of statistical information in the central administration. The local authorities being incapable of supplying it, an attempt was made to use the semi-official organisations, trusts, etc., for this purpose. This has given better results, and it looks as though the plan for 1923-24 will be more accurately realised in its details.

The general policy of the plan is to assess exports with reference to the general economic plan and to assess imports with reference to exports. It is assumed that there is no immediate prospect of exporting manufactured goods. Timber and oil products can be increased at will, while grain export will increase steadily and rapidly. Increase in the export of foodstuffs, such as butter, of which the pre-war export was 70 million roubles, and eggs, 90 million roubles, will depend on bringing the foreign demand to the door of the peasant producer, which again depends on the introduction of foreign capital.

Raw materials imported accounted for one-third in 1922-3 ; manufactures for two-thirds ; while in 1923-4 raw materials and semi-manufactures were over half the imports. Imports, such as coffee, tea, rice, stationery, etc., were only 2¼ per cent. From which it is evident that imports are pretty severely restricted to what is essential for the equipment and supply of industry.

Further, the manufactures imported (1922-23) were in proportion of metal work, 22 per cent.; machinery, 48 per cent.; textiles, 11 per cent.; chemicals, 6 per cent.; fuel, $\frac{1}{3}$ per cent.; luxuries, such as are not prohibited, less than 1 per cent.

Contraband

But the contraband trade, especially in luxuries of which the importation is prohibited, has reached considerable dimensions with the growing demand, as private fortunes increase. The value of the total contraband importation was estimated at 100 million roubles in 1923. Of this a large proportion was contraband " Polish " tea, smuggled in defiance of the State Tea Administration. This business has been developed by a refugee merchant in Warsaw, V———, whose " Polish " tea is to be got all over Russia. The campaign against contraband is one of the main responsibilities of the Police (G.P.U.), which has a frontier gendarmerie for the purpose. But the long land frontier and the immense profits of the business will make it some time before contraband is mastered.

Financing of Trade

The Government were, in the first years of N.E.P., unable to finance their organisations for foreign trade with working capital, and consequently merely assigned them funds in the form of goods and raw materials. These, thanks to favourable conditions for export, have now been largely converted abroad into financial valuta. As the operations of foreign commerce came to be put on a business basis by the establishment of Trusts, Mixed Companies, etc., direct financing by the Treasury was replaced by the opening of credits through the State Banks (Gosbank, Prombank). The banks found advantageous such credits to foreign commerce; as they thereby ensured the resources thus loaned from loss by the currency depreciation then still in progress.

This process is illustrated by the following figures:—

	Total of Foreign Trade.	Directly financed by Government.
	In Millions of Gold Roubles.	
1920.....	30.5	252
1921.....	230.2	303
1922.....	355.4	128
1922-3	350.0	87
1923-4	548.0	2

The figures of the years 1920-21 under War Communism are eloquent of the enormous extravagance of the system in this respect. Allowing for the fact that in 1922-23, of the 87 million gold roubles financed, 53 million was given in the form of credits, and in view of the figures for this last year, we can conclude that foreign trade is now financing itself on a business basis.

If the value of imports abroad for 1922-23 was as stated, 144 millions, and the exports, 206.8 millions, then to the former must be added for the cost of transport about 25 millions, and to the latter the exporters' profit—say 25 millions. The total to be financed became then about 400 millions, which had to be provided by the trusts and companies, or by the Treasury, or by bank credits, or by the credits of foreign agencies such as Arcos.

In the absence of any later information, the financing of foreign trade in 1922-23 during transition to a banking basis may be of interest :—

INDIRECT FINANCING :

	Millions.	
The Commissariat of Foreign Commerce of R.S.F.S.R. and the Ukraine and special Ukraine organisations.	about 80	
Mixed Companies with Foreign and Russian Capital....	„ 10	
Co-operatives, Centrosoyuz, Selskosoyuz, etc.	„ 15	150 million.
National Trusts, Syndicates, etc.	„ 30	
Organisations for raw materials (Gosribprom, Centrokish-prod, Khlebprod, etc.)	„ 15	

DIRECT FINANCING UNDER BUDGET :

Direct deals in Imports	„ 33	
Credit Loans for Imports	„ 30	87 million.
Financing of Grain Exportation	„ 24	

RUSSIAN CREDITS AND OVERDRAFTS :

	Export Credits.	Import Credits.	
National Bank (Gosbank)	68	51	
Industrial Bank (Prombank)	12	6	
Russian National Bank (Rosskombank)	4	4	145 million.
	84	61	

NOTE : Of this 61 million for Imports, 78% was for financing textiles.

FOREIGN CREDITS :

Foreign official agencies (Torgpredstva)	about 30	76 million.
Foreign agency in London (Arcos)	„ 46	
		458 million.

NOTE : Of this 46 million, 30 million were financial credits from foreign banks, the remainder commercial credits.

The excess of about 50 millions in this total over that of the total value of trade is explained by the financing of operations in the following year. This being the first year of the system there was no corresponding carry-over from previous years.

Trade Turnover

The term of Russian credits is mostly for six months, but export credits run up to eleven, and overdrafts are generally for three months ; foreign credits are mostly for four months. On this basis we can calculate the respective capital employed in foreign commerce :—

Working capital about 150,000,000	352,000,000 gold roubles.
National capital about 87,000,000	
Banks, Russian and Foreign, 115,000,000 ..	

And from this again we can calculate that the capital engaged is turned over only every ten months. This at first sight compares badly with an average turnover three times a year pre-war. But here again changed conditions allow of no true comparison. Pre-war turnover was purely commercial and mostly in goods ready for export and re-sold at once on importation. Present conditions cover in most cases the whole transit from producer to consumer.

Foreign Bank Credits

The rapidity of progress depends on the rapidity with which foreign capital, especially in London, realises that the financing of Russian trade is good business. There is some indication that this realisation is spreading. Thus Russian banks have been able for some time to discount drafts of the Russian economic organisations with foreign banks, and are now beginning to be able to discount their bills. Arcos, Centrosoyouz, and other trading organisations are now having no difficulty in this respect.

British and German Trade with Moscow

One reason why it is to be hoped that British finance will not neglect good business with Russia is the probability that if it does, Russian trade will be taken by Germany. Germany is at present negotiating a commercial treaty, and has begun to dispute our supremacy in Russian commerce.

TRADE WITH GREAT BRITAIN AND GERMANY

In percentage of Total Trade.

	1921-2.				1922-23.				1923-4.			
	Export.	Per cent.	Import.	Per cent.	Export.	Per cent.	Import.	Per cent.	Export.	Per cent.	Export.	Per cent of total.
Gt. Britain	25.1	30.8	50.7	18.8 ...	33.5	16.3	36.5	25.4 ...	80.0	23.0	51.6	25 0 ... 23.9
Germany...	14.7	18.1	88.3	32.7 ...	61.3	29.8	49.7	34.5 ...	59.0	17.0	41.5	22.0 ... 18.2

Of the 80.6 millions worth of purchases by the Russian foreign Government agencies in 1922-23, 34 millions, or 42 per cent., were bought in Germany and 30.9 millions, or 38.4 per cent., were bought in England.

Legal Status of Foreigners

Soviet legislation in respect of foreigners is inspired by two contrary principles, neither of which has entered into the foundations of ordinary international law. One is recognition of the international solidarity of all workers, which would bring in foreigners on an equal footing. The other is the determination—the result of bitter experience—not to admit foreigners to a position and power prejudicial to the Soviet system and national independence. On the whole, however, the present position of foreigners is immensely superior to that under Tsarism and even to that in certain Continental countries.

In the first place, a foreigner is defined as a citizen of a State not organised on a Soviet System. (Constitution of Union, 30-XII—1922.) Foreign

workers have all rights of citizenship, and political refugees cannot be extradited. Extradition of criminals and the usual diplomatic immunities are provided for.

(a) Entry

The entry of foreigners is subject to the usual consular visa (which is at present, except in special cases, only given after reference to Moscow). Entry without a visa renders liable to a fine of 500 gold roubles (p.98, Criminal Code). The Customs regulations are liberal, except one (p.8), subjecting literature to inspection and possible confiscation by the police (G. P. U.). Money in excess of 500 gold roubles in value is put to the owner's account in the State Bank ; jewellery, furs, etc., are allowed in reasonable amount.

(b) Residence

Foreigners must register within two months. They are not given labour cards. Exit from Russia is also subject to the usual permit. The Government reserves the right to deport as a police measure any foreigner whose life is not reconcilable with the conditions of a Socialist society ; but time must be allowed him to settle his affairs (par. 73). Any foreigner may obtain citizenship ; and wives do not take their husband's nationality unless they so desire. Foreigners' rights may be administratively restricted unless otherwise provided in commercial treaties.

The main restrictions at present are that they must get a permit to travel from one Republic of the Union to another. They may not fish in the White Sea or the Northern Ocean. They may not wear foreign uniforms.

They enjoy equality before the Courts. They may be prosecuted for action against the Soviet State even outside Russia (par. 314, Crim. Code), but convictions must be communicated to the Foreign Office. (Par. 160 Code, Crim. Procedure.) Judgments in matters of divorce, etc., will be given, apparently, according to Russian law, not as is usual, according to the law of the domicile.

In all other respects—rights of property, profession, occupation, inheritance, they are equal with Soviet citizens. They are liable in principle to labour conscription, but in practice this is now only applicable in cases of national emergency. They are not liable for military service.

(c) Concessions

The legal rights of foreigners can be almost indefinitely extended by concessions, which all have the force of law and can be concluded with foreigners irrespective of whether their country is in contractual relations with Russia. Such concessions may contravene existing legislation and may give the concessionaire a privileged position as respects Russians. The property of a concessionaire may only be expropriated in so far as provided in the

concession. Concessions are granted by the Central Committee on Concessions (Decree of 8th March, 1923), and negotiated through the concessions commissions of the Foreign Agencies (Torgpredstva). (For the commercial aspect of such concessions see the chapter on Industry,)

Concessions may also be granted within the limits of the law by Provincial Governments for public services, such as gas, tramways, etc.

Foreign Companies

Foreign limited companies can be admitted, by permit, to the rights of judicial persons (par. 8, Decree of November 23rd, 1922). Foreign firms may operate in Russia through establishments, agencies, etc., under a decree of the Executive Committee of April 12th, 1923, provided they obtain a permit from the Chief Committee on Concessions with approval of the Executive Committee on Internal Commerce within a month. Russians in Government employ may not undertake such agencies. The conditions under which foreign companies apply for permits are regulated by decree of 12th May, 1923, which limits such permits to periods from one to three years, which can be renewed.

General Conclusion

The information acquired by the Delegation both in the official data, some of which has been reproduced above, and in conversations, has convinced it that, although the centralised control of foreign commerce and its restriction to official and semi-official organisations causes considerable difficulty and delay in opening up commercial connections with foreign countries, yet that the present channels are quite workable with goodwill on both sides. It further believes that the desire for full and friendly commercial relations on the Russian side is such that when foreign traders can show that a minor relaxation of restrictions would be reasonable, the demand might be met. Finally, that great harm is being done to British interests in general and great hardship frequently inflicted on British citizens by the absence of full diplomatic and consular representation in the U.S.S.R. Such representation could be far better spared in countries where the political and economic system is on familiar lines than in States such as those of the Union where immense possibilities of international intercourse are developing under quite novel conditions.

THE RED ARMY AT WORK

CHAPTER VI

THE RED ARMY

The necessity for a " Red Guard," a " Red Army," was apparent to the Bolshevik minority from the earliest days of the March, 1917, Revolution, in order to effect the organisation and armament of the proletariat and bring it into the closest relations with the Revolutionary Army.

Rise of the Red Army

The Bolshevik Party, consequently, at once began intensive work in this direction and to fight the opportunist " defensive " policy of the Mensheviks. They concentrated upon the workers and soldiery in order to arm the proletariat, and develop its strength in readiness for the next stage of the Revolution—that struggle for the Dictatorship of the town workers and poorer peasantry which the Bolshevik Party knew must shortly come.

The work of organising the Red Guard began in March, 1917. District Staffs were formed, and by June the Red Guard already was several thousand strong. In July of that year these District Staffs were proclaimed illegal by the Kerensky Government and were forced to go " underground." But the work did not suffer by this, and the Red Guard General Staff came into being.

The Kornilov attempt in August brought the Red Guard again to the surface. The Provisional Government authorities found themselves forced to allow the workers to arm, and after the Kornilov affair had been cleaned up the workers began openly to form their own regiments.

In Leningrad at this time drilling was carried out at 79 works and factories, and Factory Committees were setting up their own system of compulsory military training. The workers at several undertakings enlisted as one body in the Red Guard, so that the Bolshevik military organisation could hardly provide enough military instructors.

By the time of the November (Bolshevik) Revolution the Red Guard in Petrograd amounted to 13,000 men, with machine guns and armoured cars. Similar work had gone on in Moscow, where more than 3,000 workers were armed before the November Revolution. Organisation of the same kind simultaneously proceeded in the Donetz mining area, in the Ural mineral region, at Odessa, and other centres. But, while building up the

Red Guard in these places, the Bolshevik Party was also busy inside the Army. It began in February, 1917, but there was no real development here until April, after the formation of the Party's " Military Organisation."

In June, 1917, took place the Party's first " All-Russian Military Conference," to which came representatives from 60 army " organisations " (43 of these were " Front-Line " bodies), elected by 30,000 Bolshevik soldiers.

By these means considerable armed force already existed in October in the shape of a Red Guard numbering a good many thousands. When the decisive moment came, at the most important point (Leningrad), 13,000 armed Red Guards were available in addition to sympathisers from the Army and Fleet. Besides these, the greater number of soldiers on the nearer fronts were now on the side of the Bolsheviks. At the elections to the Constituent Assembly almost all the 120,000 men of the Baltic Fleet voted for them. Out of 770,000 on the Northern Front 480,000 votes went to Bolsheviks, and on the Western Front 653,000 out of 976,000. Including the Moscow and Leningrad garrisons, out of a total of 1,800,000 men 1,200,000 voted for the Bolsheviks.

This explains the success of the November Revolution. By December the Red Guards in Leningrad numbered 60,000. From these, and from those in Moscow and elsewhere, divisions were formed which took part in the fighting against Petlyura, Kaledin, Alekseyev, Kornilov, Denikin, and other counter-revolutionary military leaders.

Red Army Becomes a Regular Force

Waging war with these improvised forces soon showed the necessity for a regular military establishment. The old army had broken up along the lines of its natural class distinctions. It was plain that until the mass of the peasantry convinced itself that the land had been taken away from the landowners, thus becoming conscious of the necessity for defending the Revolution, the working class, in the shape of the Red Guard, helped by those peasants who had joined the Red Guard from the ranks of the old army, must bear the weight of the struggle against the Revolution's enemies.

The Government, forced by hard necessity, had decided on 22nd February, 1918, to accept the Brest-Litovsk Peace Treaty with Germany, which imposed upon Russia demobilisation of her old army. But Lenin, foreseeing the need of armed defence of the Revolution, the same day signed a decree (whose details had already been worked out a month earlier) for raising a Red Army. The preamble to this decree ran thus: " The Workers and Peasants' Red Army will be formed from the more conscious and organised elements of the working class. This new army will be a pattern for the replacement of standing armies in the near future by

popular armaments, which will defend the coming European social revolution."

Intensive work at once began, and on 20th March a Committee was set up in Moscow to determine the strength of the various formations, the organisation of the cadres, and to make arrangements for the provision of officers and commanders. This Committee, anxious to get the benefit of the best and most recent experience, sought advice from the foreign military missions then in Russia. It is interesting now to remember that British, French, and Servian Colonels took part in the committee meeting that determined the number of men for a new Russian Division, and that the very people who later had to be fought, and beaten out of the limits of the Soviet Union, actually assisted at the birth of the Peasants and Workers' Red Army.

In February, 1918, in order to supply the want of trustworthy officers, regular schools of military instruction were instituted in various large centres; six in Leningrad, four in Moscow, one each in Oranienbaum, Tver, and Kazan, to which none was admitted unless of peasant or worker origin. By 1921 the number of these schools had risen to 200, but since then it has been reduced and now is sensibly smaller.

Even while the new leadership was being trained, and an army being formed upon modern lines strong enough to repel a powerful enemy, the freshly raised volunteer levies were called upon to defend the frontiers and fight the internal enemies of the peasants and workers. These levies bravely struggled against the Don counter-revolutionary movement. They broke the forces of General Kaledin, who then shot himself, and drove Dutov south of the Urals. But their experiences showed up a want of trained professional leaders, in which the counter-revolutionists greatly excelled.

Already, on the 22nd April, 1918, Trotsky had reported to the Central Executive Committee that it was imperative at once to find military leaders of similar quality to those of their enemies, and had procured assent to his proposal to make use of old regime officers willing to serve the new Government. As the counter-revolutionary attack, now openly helped by France, Britain, America, Servia, and Czecho-Slovakia, became fiercer during 1918, requiring great and constantly increasing numbers of men to be raised and rapidly trained, the voluntary system was altered to that of obligatory service in the autumn of that year. On the 2nd September the Revolutionary Military Council of the Republic was formed to take over the conduct of the war and co-ordinate the activities of the different fronts; at the same time the Peasants' and Workers' Council of National Defence was set up.

The struggle rapidly became a bitter, savage, Civil War, fomented and supported by foreign Imperialism, which sent its soldiers to invade Russia in the North and on the East. The German Revolution stopped German help to Krasnov and Denikin in the South, but the German soldiers streaming

thence home to their own country after the November, 1918, Armistice, were quickly replaced by British troops in Georgia and Transcaucasia, and by British ships of war in Russia's Black Sea ports.

Numbers and Casualties

The Red Army was now rapidly growing. By the end of April, 1918, 106,000 volunteers had joined. In the following four months the strength rose to 392,000; at the end of December the figure was 790,000. A year later, on the 1st April, 1920, the army had swollen to 3,660,000, with 74,000 officers. At its maximum in January, 1921, towards the close of the Civil War, the final total reached 5,300,000.

The casualty figures per 1,000 per year during these years of Civil War were 15 killed, 47 wounded, 391 sick. The corresponding figures for the Tsar's Army during the European War were: killed, 25; wounded, 122; sick, 135.

Of the officers and leaders, statistics show that in October, 1920, 43 per cent. had had no previous military education, 13 per cent. had served as non-commissioned officers in the old army, 10 per cent. had been through the Red Army officers' training schools, 22 per cent. were officers made during the war, 6 per cent. had served in the military administrative services, 6 per cent. were old-time regular officers. Taking them from another point of view, one-third came from the former educated classes, two-thirds were of more proletarian origin. There were not a few instances of treachery amongst these former army officers, especially on the Archangel front against the British; but, on the other hand, they also provided many examples of devoted loyalty to the new Government. There is the well-known case of General Nikolaev, taken prisoner during Yudenich's advance on Leningrad, with British support, in 1919. Yudenich hanged him for being true to the cause of the people and faithful in defence of the Soviet Government.

Present Organisation

Revolutionary Russia's great military instrument was thus forged into workable shape by hard necessity during three years of constant attack from all sides, aided by British naval and military forces in the North and North-West, by Poles, French, Germans, Greeks, Serbs, Finns, Esthonians, Letts, Italians, Roumanians on the West and South-West; by British again in the South, by British, French, Americans, Czecho-Slovaks, Japanese from the East. These experiences gave Russia tried and competent leaders, led to a simplified and improved Army administration, settled the direction of training in military schools, courses of instruction, and staff colleges; and in general welded the Red Army into an efficient organism. Since the close of the Civil War it has naturally been much reduced in strength. Now, according to recently published figures, the total of all arms of the standing

defence forces (Army, Navy, Air Service) is no more than 563,000 men, and the money (£40,000,000) provided for defence by the 1924-5 estimates seems to confirm the substantial accuracy of this figure. The Soviet military organisation makes possible, however, a rapid expansion from this peace footing. A system of " Territorial National Service " has been adopted. The annual contingent gets six weeks' training, and serves for four years in " Territorial " formations. These formations are " national " in the actual sense of the word. Divisions are formed wholly composed of separate nationalities, which are trained and serve in their respective national territories, and words of command are given in the corresponding language. Moreover, in order to provide " national " officers and leaders, certain of the military training schools are also on a national basis.

Education and Discipline

Training Schools for Officers are divided into three classes—Ordinary (a three years' course; for the technical services the course is four years), Special Instruction Schools, and Staff Colleges. Battalion Commanders must pass the second class or Special Instruction Schools; Staff Officers must go through the three years' course of the Staff College.

Besides technical education of officers, great attention is paid to the general and political education of the lower ranks. In this direction every effort is exerted to make the Red Army soldier conscious that he is a defender of the rights and revolutionary gains of his fellows as workers, as well as a bulwark of the nation against attack from outside. Discipline is strict while on duty, but off duty all ranks, high and low, freely mix on an easy and equal footing. There is, in fact, no trace whatever of that social gulf separating officer from man that is a so carefully cultivated characteristic of some other European armies.

In consequence, the difference of bearing of the Red Army man from that of his Western equivalent is most marked. One can see at once that pains have been taken during his training to stimulate intelligence, to develop consciousness of his rights as a human being, and to bring out individuality. All this in sharp contrast to the practice nearer home, and for an exactly contrary reason; in order, namely, to create a force consciously ready and eager to defend the workers, its own fellows, against either outside or inside attack.

The members of the Delegation visited various Red Army barracks and clubs. The most noticeable feature was the excellent provision made for education—political, professional, and general. In each barrack, there is a room known as the " Lenin Corner." On the walls are the usual " wallpaper " contributions of the soldiers themselves. Rooms are provided for reading, education, recreation, and lectures, all of which are organised by the men themselves. The social atmosphere in these clubs seems thoroughly healthy—the young soldiers and their girl friends freely

using them for games, dancing, and co-education. Red Army education is the most powerful instrument for combating illiteracy and the insanitary ways of Russian village life.

The education given in the Red Army is, of course, entirely Communist in character, but there appears to be more freedom for political discussion than is usually considered compatible with Army discipline. For example " wallpaper " artists have no hesitation in producing humorous drawings of incidents in connection with Army regulations. The soldiers run their own dramatic societies and arrange their own entertainments. They may entertain their friends in barracks.

Soldiers get two hours a day general education and one hour political. Technical training is not provided, but soldiers can visit factories for instruction.

Soldiers are under no restrictions as to taking part in political and social life.

The pay is one rouble 30 kopecks per month, as compared with the Tsarist pay of 50 kopecks per month in peace time and 75 kopecks per month in war. Accommodation in barracks is not so good as that provided in the British Army, but relatively better allowing for Russian standards of comfort.

General Conclusion

The preceding shows that the present Red Army is not only a very different institution from the old Tsarist Army, but has also developed into something very different from the revolutionary army of the civil wars. It is now composed of young recruits who, during their whole service, are put through an intensive course of education in their civil responsibilities. The emotional appeal is to proletarian solidarity, not to patriotic sentiment, and it seems even more effective in stimulating their military enthusiasm and efficiency.

It is evident to the Delegation that in the Red Army a soldier is not only a citizen, but that his soldiering is utilised to instruct him in citizenship, and that discipline does not seem to suffer thereby.

CHAPTER VII

THE JUDICIARY

Early Revolutionary Judicature

One of the first acts of the October Revolution was to establish a judicial system by a decree of 24th November, 1917. It abolished all the existing judiciary with one exception, that of the Justices of the Peace. The motive for this was the general conviction, justified by experience, that the Tsarist Judiciary were instruments of the previous ruling class. The Justices of the Peace were a concession to the people, granted under the reforming regime of Alexander the Liberator, that had managed to survive the subsequent reaction. They had, however, been restricted to civil cases, not exceeding £25 in value, and to criminal cases up to six months' imprisonment.

The first idea of the revolutionaries, and one to which the Revolution has subsequently to some extent returned, was to establish a unified system of " People's Courts," based on " direct democratic election " (Article 1). But it was recognised that such courts were incapable of conducting the class war and accordingly they were very soon supplemented by Revolutionary Tribunals with the special function of combating counter-revolution, contraband, etc., composed of a President and six assessors nominated by the Provincial Councils (Article 8). Thus there was created a double system of courts; and as class sabotage, conspiracies, counter-revolution, and " white " campaigns developed, the People's Courts were altogether put into the background by the proletarian Revolutionary Tribunals. The 32 Revolutionary Tribunals, for example, as early as 1918, got 56 per cent. of the criminal cases. What was more significant of war conditions was the policy expressed in a decree of 21st November, 1918, which proposed to replace the " democratic " local (Mestny) People's Courts by a revival of the District (Okrujny) Courts of the Tsarist class regime, to which a new class character was given by appointing members through the local Councils. This made a third element in what was to have been a " unified " judicature. But this the most unsatisfactory position reached in the course of the Revolution, only lasted a few months. A

decree of January 15th, 1919, based on resolutions of the I. and II. Congress of Councils, abolished the District Courts and restored the authority of the People's Courts, subjecting their independence, however, to the supervision of a Council of People's Courts to be composed " principally of Communists "; while in other respects also the independence, irremovability and impartiality of the members of the Court were seriously impaired. For example, the principle of " direct democratic election " was suspended in favour of indirect nomination through the local Councils. Perhaps the best feature of the system at this period was its decentralisation. For the only Central Court of Cassation was the above-mentioned Council, and there was no general right of appeal at all from the Provincial Courts of Second Instance. But this, again, resulted in local authorities occasionally using the local Courts as instruments of class warfare in a way the Central Government would have prevented had it had the judicial machinery for doing so.

Revolutionary Developments

Meantime during the first period of counter-revolutionary campaigns—Koltchak, Yudenitch, Denikin—the Revolutionary Tribunals continued their political function, reinforced and even replaced to a large extent by the notorious Extraordinary Commission or " Tcheka." Both the Tribunals and Tcheka had at this time powers of summary execution. Their activities dealt with shortly in a later section are responsible for the false impression abroad of the Soviet judicial system. But no sooner had active counter-revolutionary action ended, as it was then assumed permanently, than the power of capital punishment was taken away, both from the Tcheka and the Tribunals, by a decree of January 17th, 1920. The interval did not, however, last long, and the last and worst counter-revolutionary crisis was reached in the combined invasion of the Ukraine by the Poles and Wrangel. This caused the restoration of full powers of punishment to the Revolutionary Tribunals, though not to the Tcheka, which only got powers of internment up to five years. Besides the Tcheka there were other special competences working with the Revolutionary Tribunals, such as the Special Divisions (Osobenny Otdyel), the Military Tribunals, and the Railway Tribunals. Most of the criminal jurisdiction was indeed taken over on one ground or another (state of siege, etc.) by these special tribunals during this period. Thus the Railway Tribunals (under decree of November 20th, 1919, and March 18th, 1920) took all offences, or their like, connected with or committed on the railways. The Tribunals of the Tcheka, invested under decree of October 21st, 1919, with powers of the summary procedure, took the most important offences against public order. Moreover, capital sentences by local tribunals could be confirmed by the Central Tribunal or Tcheka. Further, in the course of 1921, the Revolutionary Tribunals extended their operations

DINNER-HOUR IN OPEN-AIR WORKERS' SANATORIUM

far beyond the criminal code into enforcing the campaigns of War Communism for the requisition of fuel and foodstuffs.

During this period the People's Courts only retained jurisdiction over cases of little importance and purely local interest. It became obvious that under continued war pressure justice and the judicature had specialised into forms very different from the original intention of the leaders of the Revolution.

Restoration to Peace Conditions

The first attempt to restore the judicature to a proper form and functions was a decree of June 21st, 1921, establishing a Supreme Court in the Central Executive Committee, and restricting the powers of the Revolutionary and Special Tribunals. Similar Supreme Courts were subsequently set up in the autonomous Republics. Progress in this direction could only be slow, for, though the campaigns on the internal and external fronts were now over, conspiracy was still active. Nevertheless, the Revolutionary Tribunals were reorganised and their activities restricted. At the same time the People's Courts were given a more national and less local character by associating the Council of People's Courts in the nomination of their members.

Then came the New Economic Policy with its restoration of private property and the renunciation of War Communism. This, before long, involved a complete reconstruction of the revolutionary judicature and jurisprudence. For jurisprudence again became concerned with rights of persons and property in all its modern developments. While the function of protecting the Communist—or perhaps more correctly, the Socialist—foundations of the new State against the rising flood of private enterprise had to be transferred from the Red Guard, the Red Army, and the Tcheka, to the Law Courts. The last line of defence of Socialism still remained a recourse to armed force; but the first line now became the new Codes as enforced through the People's Courts. This, therefore, involved an abolition of all Revolutionary Tribunals and other forms of judicial coercion, the elaboration of a complete new system of jurisprudence and the re-establishment of a unified judicature.

The latter task was only carried through against the obstinate opposition of many Communists who considered the maintenance of a revolutionary judiciary as indispensable for the safeguarding of the Revolution. After a short but sharp struggle, however, a complete judicial reform was promulgated (decree of October 31st, 1922), and put in force throughout the Russian Federation on January 1st, 1923. The Union had then not yet been finally ratified and acceptance of this new system is not obligatory on Republics entering the Union, though it is on Republics holding under the Federation (R.S.F.S.R.).

The Judiciary

The new judiciary consists of People's Courts of Justice, composed of a permanent judge, sitting either alone or with two " People's Assessors "—Provincial Courts of Second Instance—and a Supreme Court of the Russian Federation, sub-divided into various Courts of special jurisdiction. There are also, as in other countries, Military Tribunals for the armed forces. Further, Labour Courts, which may be the local People's Court in special session for labour cases, and Commissions for deciding differences between State enterprises. The Revolutionary Tribunals, the Special Divisions, and the Tcheka are abolished.

The People's Courts

Each district (ouyezd) or town has a People's Court. The judges must be citizens of good character, who have participated in local government, and " who have had two years' responsible political work in some political organisation or three years practical work in one of the judicial departments." They are selected by the Provincial Executive Committee on the proposal of the Provincial Judge or the Commissariat of Justice for a renewable term of one year subject to suspension by the Commissariat. Criminal cases of importance the judge tries with two assessors. These assessors seem very similar in general function and manner of selection to our jury. The panel must contain 50 per cent. of workers, and there are arrangements for special assessors in cases of importance.

Provincial Courts

The Provincial Courts have the usual jurisdiction of Second Instance, and their President and assessors are appointed on a similar system as in the National Courts, but higher qualifications are required. They have taken over in First Instance the class of cases previously tried in the Revolutionary Tribunals in so far as such are offences under existing law. The President also exercises a supervision over all the judges in the Province. The Court is divided into criminal and civil departments, each being sub-divided into Courts of Appeal and of First Instance, the first having three professional judges, the latter a judge and two assessors.

Supreme Court

The Supreme Court has the supervision of all inferior courts, final jurisdiction in appeal, and also in first instance for the most important matters. The Supreme Court has a standing Committee (presidium), a plenary assembly, and jurisconsults for appeals, also marine and military experts.

Working of the People's Courts

The working of these Courts was studied by the Delegation, some of whom spent two afternoons listening to cases.

The first thing that struck an observer was that the atmosphere aimed at was different. Instead of the impressive staging and trappings of a Western Law Court, all calculated to impress the dignity of the law, there was an almost aggressive simplicity and absence of solemnity or ceremonial. For example, the Moscow People's Courts are installed in an ordinary apartment house, the court-room being merely the largest room of the flat. The public, the prisoners, their guard, and their counsel all sit anywhere on the benches. At a red-covered table sits the judge, with an assessor on either side and a girl shorthand-writer at the end of the table. The red turbans of the women judges are the only note of a ceremonial costume. There are no police or ushers. Two young soldiers of the Red Army in charge of prisoners sit on the benches among the public.

The judge calls out the names of prisoners or parties in a case, and they come forward, stand before the table and talk to him. Prisoners sit on a bench but stand up to speak. The whole court rise to their feet while judgment is read. The judges, who are all quite young men, never press an examination in the French manner, and cross-examine very fairly but effectively. One in ten of them are women, and generally one of the two assessors.

The case does not seem to be for the most part the trial of a legal issue, and the Codes are not very often referred to; but seems to be rather directed to arriving at an honest and humane appreciation of the circumstances of each case. Thus considerations are taken into account which would be excluded in most Law Courts. But this in criminal cases seems generally to tell in favour of the prisoner; and both in criminal and in civil cases, though the decisions often seemed of little legal value, they undoubtedly served the security of person and property with a minimum of individual suffering. Moreover, the prisoner or the parties, being quite at their ease, in their anxiety to do the best for themselves, as often as not saved the court much trouble in arriving at the real truth. In important criminal cases, when a public prosecutor appears, the prisoner is provided with counsel. Counsel can be employed in any case, but seem rarely used, and indeed of little use.

As to the impartiality of these courts, there is a general agreement that they " weight the balance " in favour of the worker as against the well-to-do; and this is defended on the ground that it corresponds to the weighting of the other scale elsewhere. As to their incorruptibility, information is on the whole remarkably satisfactory. During the Delegation's stay in Russia there was a criminal prosecution of the courts in one provincial capital on charges of corruption, involving six judges and a number of counsel; and it seems likely that any serious lapses in this respect would not long escape detection.

The superior Courts are as simple in their procedure as the lower, though rather more spaciously housed. And the general impression carried

away from them all is that of a judicature in its youth conducted by youth, that will learn its work in time to deal with the civil cases of great legal complexity that the new social system will shortly develop. As to criminal cases, it is noticeable that they have somewhat changed their character under the new social system. The crimes common in Western Courts—drunkenness, brutalities against the person, breaches of order, etc., are conspicuous by their absence; their place being taken by what we should consider only derelictions of social duties.

Public Order and Security

Personal security and public order in the principal cities of the Union seemed to the Delegation far more secure than in the capitals of other continental countries. The Delegation in their travels, even when not officially conducted, neglected the most ordinary precautions as to their property, and the only occasion on which anything was stolen was in Trans Caucasia. Whereas on leaving the country, one of them staying in a neighbouring capital was robbed three times in four days.

The Police

Little attention has been paid abroad to the interesting judicature and jurisprudence of the U.S.S.R. owing to the sensational and generally unsubstantiated stories circulated as to the " Tcheka " and the organised repression of counter-revolution under War Communism that ended in 1921. The activities of the Tcheka are fully recorded in a publication (Sovietskaya Justitsia) brought to England by the Delegation of 1920. The Tcheka need, therefore, only be referred to here as an organisation such as all States, whether revolutionary or reactionary, must establish when the Government authority is menaced by civil or foreign war. The only difference being that reaction, such as Tsarism, comes to depend on its " Okhrana " (secret police) and its Cossacks (mounted constabulary) more and more; whereas revolution, as Russia has shown, can demobilise these forces the very moment the need for them is over.

The police administration (G.P.U.) is often referred to abroad as though it were just the Tcheka under another name. This is not so. The Tcheka was not only a secret police, it was a regime as all-present and all-powerful as the old Tsarist Okhrana; and it had, moreover, up to the last years of its existence a separate jurisdiction, including the power of capital punishment. It retained a certain criminal jurisdiction up to its abolition in 1922. There is now no " Tcheka," nor anything of that nature except in Georgia. And the G.P.U. has no power to proceed or even to prosecute. It merely prepares the case like any other police force. Its duties are police duties, though the actual patrolling and point duties of a police force are still largely left to the military—at least in Moscow. Provincial towns, like Kharkov, have a smart mounted police and constabulary.

The G.P.U is now nothing more than an organisation like our own detective service. Its headquarters on one of the principal squares of Moscow might be any Government office—as unlike the Bastille of our own Scotland Yard as it is unlike the old Tcheka, which was a dirty labyrinth of dilapidated houses with private prisons hidden away in its remoter recesses, and generally a most sinister atmosphere. The G.P.U. still has political responsibilities—counter-revolutionary conspiracies are still discovered and may entail capital punishment after trial in the Criminal Courts. But the main function of the G.P.U. is now the ordinary police preservation of public order and of preventing contraband.

The Codes

The most interesting and original of the Codes is the Labour Code. The present Code of November 6th, 1922, replaced that of 1918. The advent of the New Economic Policy made indispensable a Code that would secure the labourer the results of the Revolution so far as new conditions allowed. These results, such as eight-hour day, minimum wage, employers' liability, insurance, etc., are much the same as obtain elsewhere. (See Labour.)

The Land Code of October 30th, 1922, has the same origin in the New Economic Policy. It is based on the principle that the land ownership is vested in the State, and its main function is to define the rights that the State may confer in land.

The Criminal Code of November, 1922, has little of special interest. Capital punishment is confined to convictions for conspiracy of a serious character.

The Civil Code of November 6th, 1922, contains much that is very interesting in respect of the regulation of property rights on a new basis of State Socialism.

The Code of Civil Status is also of interest, and a summary of its provisions concerning family life is given as an appendix.

There are also Codes of Civil and Criminal procedure and on special subjects.

These Codes, while not without deficiencies, and even defects due to hasty preparation, provide a firm ground for building up a new structure of jurisprudence. The critical examination to which they have been of late subjected by German and other continental jurists has not shaken them in any serious point.

THE CODE OF CIVIL STATUS

The code as to personal status, and on marriage, family, and guardianship rights is the only code which dates back to the Revolution. It originated in 1918, and was not essentially affected by the new order which introduced re-orientation of the New Economic Policy in 1921.

Section I. deals with personal status.

Marriage

Section II. concerns marriage. Only civil marriage is recognised, if registered in a Bureau for Records of Personal Status. A religious marriage has no civil validity. Marriages performed according to religious rites before December 20th, 1917, remain valid. Marriage must be a public ceremony, and may be performed by the Registrar of Records of Personal Status or before a Notary Public. Publication of the banns is not required, and the marriage is valid as soon as entered in the Register. Any man of 18 may marry and any woman of 16. Polygamy is forbidden. Obstacles to marriage are mental deficiency, blood relationship in direct ascent or descent, brothers or sisters, or half-brothers and half-sisters. A marriage can be nullified between minors, if they are still minors when the marriage is denounced or if no children have been born and the wife is not pregnant. Marriage is invalidated by mental deficiency at the time of marriage, a previous valid marriage, or want of consent of either party due either to ignorance or to compulsion. Religious marriages are invalid if contrary to the marriage laws in force at the time.

Divorce

A divorce can be obtained by mutual consent from the Courts or from the competent marriage registrar. A divorce, whether of a pre-revolutionary marriage or of a new civil marriage, may not be granted merely on the application of one party if it be opposed by the other, but the application need not be based on a charge of any kind. A judgment of divorce can be appealed and becomes valid only at the conclusion of the legal proceedings.

Married Women's Rights

A wife's property is absolutely independent of marriage. Marriage settlements which affect the property rights of the wife are invalid. The parties to a marriage take a married name. The married name may be either the name of the man or of the woman, or the combined name of both. Marriage has no affect on the citizenship of either party. The wife is not obliged to follow her husband to another place of residence. The principal effect of marriage, as far as property rights are concerned, is the responsibility of maintenance. This responsibility is mutual. It presumes that the one needing support is incapable of working and that he or she does not possess any means of livelihood, and that the one obliged to support is in a condition to furnish maintenance. Minors (under 18 years of age), men over 55, and women over 50, are under no obligation of maintenance as earners. The obligation of maintenance must be continued after divorce. Arrangements by the parties as to continuance of the maintenance after divorce can be modified by the Court.

Rights of Children

Section III. deals with family law. Married and unmarried mothers have the same rights of maintenance. The unmarried mother can, three months before confinement, apply for an affiliation order. If the alleged father does not enter defence within two weeks after notification by the Registrar he is assumed to have accepted paternity. If he denies paternity, the matter goes before the People's Court for inquiry. If the inquiry establishes paternity he is obliged to support the mother during pregnancy and confinement and maintain the child. A defence that others might have been the father, if proved, results in their being also obliged to contribute. The child born out of wedlock takes the name of the father, or the mother, or combines that of both, as the parents may agree. Failing agreement, the Court decides. Children born in wedlock take the married name of the parents. If the parents are divorced they agree what name the children shall bear, and, failing agreement, the Court decides. If one parent is a foreigner and the other Russian their children have such nationality as their parents agree. Failing agreement, the children are considered Russians, but on attaining their majority they may choose the citizenship of the other parent. The religion of children under 14 years of age is determined in writing by the parents. If the parents cannot agree the child is considered as having no religion. Upon attaining the age of 14 the child chooses his own religion. Parental responsibilities are exercised jointly by the parents and the Court settles disputes. The Court may deprive the parents of their parental rights if they do not serve the interests of the child. Parental responsibilties include care for the child's bodily health and mental preparation for a useful life. Parents are required to meet these responsibilities. They are legally responsible for the children before the Courts and otherwise. Parents must provide for their children living with them and have a claim against those who have provided for the children without the right to do so. As far as property rights are concerned, the children are absolutely independent of the parents. The parents have absolutely no right to use the property of the children. Parents must provide for their children in proportion to their own resources, but each parent is obliged to pay at least half the minimum of existence determined for the child, so far as he is able to do so. On the other hand, parents when incapacitated and indigent may claim maintenance from their children. These obligations of parents and children continue after the dissolution of the marriage. Sisters and brothers and half-sisters and half-brothers can also respectively claim maintenance. An agreement by which one party renounces maintenance is invalid. It is forbidden to adopt children, but a decree is being prepared again allowing it.

Wardship

Minors not under parental care and mental deficients are State wards. Other persons, especially spendthrifts and persons who, in the opinion of the Public Trustee, require guardianship may be put under ward. The guardianship may be exercised either directly by the Public Trustee or by special guardians appointed by him. The guardian represents the ward and has the care of the person of the ward. Any adult not in a condition to look after his own affairs may put himself under guardianship.

General Conclusions

The conclusion reached by the Delegation in the matter of law and order is that public order is now on a footing well above that in most Continental countries; that justice is equitably enforced in the new courts, and under new Codes that constitute a judicial system still in its youth, but adequate for its present purpose; and that there is nothing to prevent the early development of a body of law and of lawyers capable of bringing the principles of the Revolution into further accordance with the established precepts of European civil and commercial law.

The judicature is necessarily the latest organ to function fully in a new State, and the new judicature of the Union, still in its infancy, will play a most important, perhaps the most important, part in the further development of the Soviet system.

On the sail : Take care of the children. Do not let them perish on the rocks. Let them reach the open sea of life strong and healthy.

On the rocks : Dirty Clothing — Bad Midwifery — Dark Rooms — " Comforters " — Premature Weaning — Bad Air.

The calf says : Why do you drink my milk ? Doesn't your mother nurse you ?

PART II

THE SOCIAL SYSTEM

CHAPTER VIII

SOCIAL AND RELIGIOUS CONDITIONS

The Soviet Social System and its Penetration

Before entering upon a review of the social side of Soviet life it is necessary to realise the main objects of the system, to remember that in many cases it is still in its experimental stages, and that no conclusions as to its stability or value can be obtained from those who steadfastly refuse to accept what it offers.

It would be misleading to state that the system has permeated the whole country, or that it has not been modified in certain districts to meet the requirements of the various nationalities which are to be found in the Russian Empire. It is, however, a gross misstatement to say that it is only found to be in operation in the large centres and a few miles from the railway track. It is undoubtedly being supported by the whole of the industrial workers, by many of the peasants and by those of the former middle class who have joined the movement either from conviction or through force of circumstances.

Critics who maintain that its working and results have had very little effect on the country as a whole, and do not penetrate beyond the few Communists who have accepted it, should realise the following facts:—

The total population of Russia, including all the Autonomous and Federated Republics, was estimated in 1923 at 133 millions, of which 70 millions were women. The inhabitants of the urban and industrial areas numbered 21 millions, of whom five and a-half millions, or 25 per cent., are members of the Trade Unions and directly involved in the system.

Women, however, only constitute 28 per cent. of the Trade Union membership; but most of the women and all the children under the age of 17 must be added to the figure of five and a-half millions as being equally affected. Thus it will easily be seen that the whole of the industrial population has come within the system which controls the lives of the majority of the balance. The 80 millions of peasants are affected to a much

lesser degree, while the indigene and native tribes are scarcely affected at all. It should also be remembered that the present system only came into operation three years ago when it replaced War Communism, which was a very different form of social construction.

As regards the large mass of peasantry, now that Budget economy has forced the reduction of the large expenditure and elaborate equipment of propaganda trains and perambulating lectures with which War Communism hoped to educate the peasants, more practical methods are being followed. It is now generally recognised in Communist circles that the peasantry can best be educated by giving them a larger representation in the Government and District Councils, and by teaching them to govern themselves locally. The Communist attitude to the peasant is a curious combination of contempt and consideration.

Sovietism as practised at present appears to be a compromise between Communism and State Socialism, with strong tendencies towards the latter. It is the result of practical experiment among large communities, and the success of the movement is undoubtedly due to the courage of its leaders in acknowledging mistakes when by practical demonstration their theories have proved to be impracticable.

The fundamental principle of the system is the formation of a State and society which shall give the greatest possible benefits to the majority of the workers (by which is meant both hand workers and brain workers), and equal opportunities to all men and women.

Without entering into a detailed survey of the means to be employed for the construction of this State it will be sufficient to mention the main features.

Work v. Wealth

The keystone or main feature of the new structure is the creation of a power of personal worth by the destruction of the power of private wealth.

In order to effect this, the reacquisition of power by individual acquisition of wealth and the amassing of money by private persons is rendered, not only unnecessary, but unlikely, although not in principle impossible.

(a) The Worker

This is accomplished in the following manner. In the first place, all real property, industry and capital wealth are vested in the State by nationalisation, the State being composed of men who have obtained their position by other means than the influence of wealth.

Secondly, a worker is granted a minimum wage according to the category in which his duties or profession place him. This minimum wage

is really only intended to cover the actual necessities for which he has to pay cash. The rest of his requirements in life, social recreation, travelling, yearly holiday, medical and insurance benefits, education and upbringing of his family, housing, etc., accrue to him in the form of benefits supplied by the State.

These benefits increase in value as the worker rises, by his own efforts, from a lower to a higher category. A member of the Government, even a Cabinet Minister, for instance, receives only £20 per month. His benefits, however, are free and include a house, motor-car, servants, and entertainment, etc. At present the worker has to pay a nominal fee for most of his benefits; this fee is graduated on a sliding scale according to his category and income. Eventually as the State becomes wealthier all these benefits will become free.

The next measure to prevent the accumulation of personal wealth is heavy taxation over a certain maximum income and the reversion of all property to the State at death. A man may leave to his heirs not more than £1,000 (under the system he has no dependents).

Exactly the same principle applies to man and woman. A woman to be counted as a worker must either work or show that she is necessary to her house and family.

(b) The Peasant

With regard to the peasant or land worker, his land and house represent the worker's wage. In view, however, of the fact that this form of wage is not constant, but varies in accordance with his own efforts and his general facilities for cultivation, his status is somewhat different. His benefits are primarily concerned with the facilities for cultivation and the disposal of his produce. By centralisation, organisation, and the acquisition of more up-to-date machinery and appliances he is able to increase his profit, and his standard of living. The greatest benefit of all, however, will be realised when the huge electrification schemes, mentioned in another part of this report, have materialised. This will give him practically free power. His social benefits consist of education, medical attendance, clubs, and recreation.

(c) The Non-Worker

Any person between the ages of 17 and 55, having no physical or mental defects, who is not classsed as a worker, has absolutely no political or social status at all. He has no vote and receives no benefits. He must pay the maximum tariff everywhere. His education and medical attendance must be obtained from private sources. He will have to pay the maximum house rent, and is liable at any time to receive a month's notice to make room for a worker. He must pay high prices for a meal outside his home, and his theatre ticket will cost him ten times that of a worker. He will have no recognised club; recreation and sport will be difficult and expensive.

The lot of some of these people, who cannot, or will not, fit in with the new system is often very lamentable, and at present they doubtless number many thousands. But in Soviet Russia everyone must work to live.

(d) The "Nepman"

Under the New Economic Policy the private trader or Nepman, as he is called, has come into existence. He also comes under the heading of the man who receives no benefits, for in the eyes of the Soviet State he is not classed as a worker. So long as he is making money and can pay the top price he is able to receive ordinary comforts. He can join a private club, if such exists, and he is perfectly free to do what he likes with his money during his lifetime. His position is, however, very precarious. It is difficult to see how he can form the nucleus of any durable class in the new system. Taxation and the cost of living are too heavy to allow of his savings becoming any provision for the perpetuation of his family or firm.

At first he became a serious competitor to the Government and Co-operative stores. He studied the psychology of his customers and displayed his wares in a manner not considered necessary in the State-controlled stores. In fact, he served his customer better and thus encouraged him to spend his money. Now, however, the co-operatives are changing their methods. The art of salesmanship and advertisement are being carefully studied. The customer no longer finds it necessary to make up his mind on the doorstep of a co-operative what it is he actually intends to buy in order that he may have it dug out of a drawer or case and take it away. He may now enter with the indefinite hope that he will be persuaded to buy something.

In this manner the Nepman has served his purpose, but it is doubtful whether he has consolidated his position, since the co-operatives are now beginning to compete among themselves.

Tsarist and Sovietist Society

These economic factors have naturally wrought great changes in the social structure and method of living. It must, however, be born in mind that the social side of Russian life before the Revolution was based on somewhat different standards to our own. The Russian aristocracy and the large landowners were a nation apart. They were a comparatively small class, mostly educated abroad and brought up on European standards. They now no longer exist as a community in Russia. Roughly speaking, the rest of the nation was divided into three classes. Firstly, the middle or bourgeois class, which consisted of merchants, Government officials, officers in line regiments, managers, clerks, and professional men; secondly, the industrial workers, mostly drawn from the peasant class; and, thirdly, the peasants themselves. The second of these, the workers, is the basis of Soviet society; the other two are more or less built into it.

Within these three distinct classes there was very little sub-division. The middle class mixed freely among itself and lived well according to European standards. It thought more, however, of club and restaurant life than of what is known as British home comforts. The feature of the home was the reception rooms for the entertainment of guests. Bedrooms, private rooms, and bath-rooms were often badly equipped. The servants invariably slept in the kitchen. The hospitality of this class was unbounded, and no return was ever expected from those who could not afford it.

The position of the working class generally was far below that found in any other European country. Much, however, depended upon the firm or undertaking. In some of the large electrical works and heavy industries the workers had already reached a comparatively high level of comfort in 1914.

The standard of living of the peasants was probably the lowest of any class in Europe. Their cleanliness and morality were certainly below the standard of a Hindu coolie.

From this it will be readily gathered that many of the social developments appearing in Russia to-day are the effect of natural evolution under a revolutionary system which is prepared to ignore any tradition which interferes with the public good.

The social benefits in education, art, sport, and recreation which the nation as a whole is enjoying under the new system are self-evident. In order to obtain these it is no longer a question of money or position; it is now merely a matter of choice and inclination.

Position of Women

The greatest change, however, in the social structure has been brought about by the new status of woman. Relatively speaking, Russian women always were in many respects more independent than the women of other countries. That is probably why they have made so good a showing both in their own and other countries during the Revolution and among those who emigrated or were exiled.

In Soviet Russia she has now been made by law entirely independent of man. A summary of the Family Law annexed to the preceding chapter shows that the leading part taken by Russian women has now been given legal recognition. What is right for a man is right for a woman, and vice-versa. Her responsibilities are equal with his, so also is her freedom. Marriage is a contract by which both parties are equally bound or free by mutual consent at all times. The illegitimate child and mother have exactly the same status as the legitimate. An illicit or unregistered marriage is rendered unnecessary by the facilities given to divorce, which can be obtained at once by mutual consent. The father is, however, responsible for the children until they are 17 years old to the amount of one-third of his income. A man who has

had children by three separate women would thereby be in a somewhat precarious position.

This code, it is claimed, is based on commonsense and human nature. An unhappy marriage, it is stated, creates the very worst atmosphere for the upbringing of children; and, it is contrary to the dictates of nature for a man and woman to live together as husband and wife, when all affection has ceased on either side; such unions are considered immoral, and should be dissolved at once.

Family Life

This new outlook on the social and family side of a nation's life, bound up as it is with the whole economic system, is undoubtedly tending to destroy what is known in this country as family life. There will be small possibility of laying the foundations of a great and famous family. The units will scatter and often forget from whence they came. But this new conception does not necessarily mean any increase in immorality, profligacy, and licence. The responsibilities placed on the man by law are an adequate safeguard against such results. As a consequence, there is probably less immorality, in the sense of irregular sexual relationships, than formerly. Whether the new code is likely to prove a national evil or not must be left to individual judgment and to future results.

Sexual Immorality

From the British point of view, Russia was never a particularly moral country. The new regulations and laws are based on the theory that sexual morals are greatly matters of personal conduct which must be left to private conscience and can only be dealt with by education and environment, not by legislation. Legislation is, therefore, in the first place confined to protecting the innocent from the wrongs and evils which arise from sexual immorality. Secondly, it is concerned with suppressing the commercial exploitation of immorality. Thus prostitution has for the first time in Russian history been made illegal. But the measures taken to stamp it out are mostly levelled against the man. Any payment to a woman for this purpose by a man with whom she is not regularly living is a criminal offence on the part of the man.

The former Government-controlled licensed houses, where girls were exposed for hire at a recognised fee, have been closed. In Tsarist days these houses were a recognised Government institution; the opening ceremony was undertaken by a police officer and the premises blessed by Russian Orthodox priests. Private and illegal establishments can probably be still found in the large towns, and the Delegation saw many women serving terms of imprisonment for keeping such immoral houses. Such procuring for profit is most severely dealt with by the law.

Immorality among Children

Much has been written on this topic in certain sections of the Press. It undoubtedly exists as it existed before the Revolution. In conversation with school teachers the Delegation learnt that the worst point was reached during the period of the Civil War, when life was abnormal in every respect, and the atmosphere of excitement and passion was at its height. At that time it was impossible to cope with it owing to lack of teachers and supervision. Education, and especially the Young Pioneer (Boy Scout and Girl Guide) movement have done much to arrest it.

Religion

The Delegation had opportunities of attending religious services in the churches and mosques of the towns they visited and of holding conversations with priests of various shades of opinion.

The Russian Orthodox Church, which was formerly a strong arm of the Tsarist Government, has, as a result of the Revolution, been disestablished and disendowed. That is to say, all its property has been nationalised. The congregations now pay rent to the State for their buildings, and the clergy are supported entirely by voluntary contributions. Churches with are considered national monuments are kept up by the State. St. Isaac's in Leningrad and St. Vasili at Moscow are now undergoing extensive repairs.

There would appear to be little alteration in the Church Service. There is no change in the beautiful unaccompanied singing of the Gregorian chants by magnificent choirs, and in the gorgeous vestments of the priests. The attendance is certainly not so large as formerly; perhaps because it is becoming doubtful whether going to church is still the most profitable occupation for a workers' Sunday.

The Holy Shrines at all the main street corners of the large cities are still open and well patronised. Priests in the dress of their calling are still seen about the streets. Most of them, however, appear to have had their hair cut, and hair, long to the top of the shoulder, is seldom seen.

There appears to have been no actual persecution of the clergy as such, but those who have thought fit to take political action against the State have met with exactly the same treatment as any other political agitator who infringes the State regulations. The hoarding and hiding of former church treasures and funds is dealt with according to the penal code, which protects the State against persons who infringe the laws of nationalisation.

A very strong propaganda in the Press, the schools, colleges, and Trade Union clubs is, however, carried on against religion generally, and especially as practised by the old Orthodox Church. The kissing of crosses and ikons is prohibited by the Ministry of Health as being accountable for the spreading of infectious diseases, especially consumption and syphilis. The practice, however, still survives; though long queues of infected

children waiting to receive the sacrament from the same chalice are no longer seen. The remains of certain saints whose bodies were supposed to be preserved intact, and whose forehead was exposed through an aperture in the lid of the coffin to be kissed by thousands of pilgrims, have been exposed to public view as dust and bones, while the supposed forehead was shown to be but a puckered piece of leather fastened to the coffin lid.

At one time propaganda against religion took the extremely offensive form of mock ceremonies outside the churches, accompanied by ribaldry and grotesque effigies of priests and church images. This had no official authorisation, and has been put a stop to.

The Lenin Cult

The Russians are essentially an emotional people, and easily appealed to collectively. Their leaders are, and always have been, great masters in crowd psychology. This method of handling the people was most efficiently practised by the old Tsarist priesthood. Many critics of the effects of crowd psychology, as practised by the Soviet leaders, state that Karl Marx and Lenin have now taken the place of God and the Tsar. In its broadest sense this is probably true among a certain section of the people. The worship of the memory of Lenin is certainly a cult. Hats are always removed by visitors to the " Lenin Corners "—little rooms set apart in the factories and clubs and dedicated to the memory of Lenin. The body of Lenin himself is embalmed, and lies fully dressed under a glass case in the Mausoleum against the Kremlin wall in Moscow. A red flag with a red light thrown upon it flies night and day over the building. Two sentries, rigidly motionless, with fixed bayonets, guard the body day and night, while sentries patrol the building outside. At specified times the Mausoleum is open to the public. A flight of steps, carpeted in red, have to be descended to reach the chamber, whose walls are draped in red and black. Not a sound is heard, or a word spoken as the batches of 100 people at a time file round the embalmed body of the late leader of the Revolution. It is stated that during the great Revolution festival at Moscow peasants who had arrived from the country had to be told not to cross themselves as they passed his picture.

The Living Church

As a natural result of this deep-rooted desire of the Russian for religious observance of a more orthodox kind the Living Church has lately come into being. It is quite possible that this may ultimately take the place of the old Orthodox Church, and that when the memory of Lenin has taken its place in history the great Russian revolutionary reformer will himself be canonised.

The Living Church claims that Russian Communism is the practical expression of Christian Communism, and the correct interpretation of the New Testament. It justifies the attitude of the Soviet Government in

PERFORMANCE BY DRAMATIC CIRCLE AT WORKERS' CLUB IN SMOLENSK

denouncing the old orthodox faith and the abuses practised by its supporters. The kissing of ikons and holy images is forbidden to its followers, and sin is not condoned by the payment of a fee or the utterance of a prayer. The new Church and other Nonconformist denominations are perfectly free to carry on any form of propaganda in their own cause, provided they do not use it for political purposes, and accept the new laws of the State. Their activity against the anti-religious propaganda of the workers' clubs and schools is very considerable. Most of their congregations are, however, composed not only of those who feel the want of a real reformed religion, but also of those who want to stand well with the authorities.

Liquor Control and Drunkenness

The sale of alcoholic drinks, such as light wine and beer, is not forbidden. The manufacture and sale of vodka over 20 per cent. in strength is, however, prohibited. There are no stand-up bars either in the towns or in any of the clubs, and strong drink is usually only served with a meal or consumed at home. Very severe fines and loss of privilege are imposed in the workers' clubs for drunkenness. Occasionally a man is seen on the street who has had more than is good for him; but to those who knew Russia before the Revolution there is certainly very much less drunkenness in the streets and public places than formerly. Illicit distilling and dealing is a criminal offence.

New Social Customs

The ceremonial language of social intercourse has changed very much: and among the workers there is a marked absence of bad language. Popular expressions formerly so much used in almost every class of society seem to have disappeared entirely.

A woman Communist would be offended should a man open a door for her, or even step aside to give her priority. The old Russian custom practised by the upper and middle classes of bowing over, or kissing, a woman's hand in salutation has disappeared. The custom of men raising their hats to each other, formerly practised by all classes, is falling into disuse. Men, however, still continue to kiss each other on occasions. There is a strong campaign against constant hand-shaking.

A curious indication of a tendency to form fresh class distinctions is the new method of address. A member of the party, an associate in work, an employé, a servant, or a peasant, is always addressed as "Comrade," a stranger is addressed as "Citizen," while the patronymic (John the son of John, or Charles the son of Tom, as the case may be) is reserved for members of the family and near friends. The custom of wearing badges denoting the post of the wearer is of great convenience, and a good substitute for the wearing of orders.

General Conclusion

It is not suggested that the social system as applied in Russia would be acceptable, in its entirety, in this country. The Russian people are far more susceptible to mass organisation and are socially less individualistic than the British. The Delegation is, however, strongly of the opinion that, as a result of the new social system, the Russian nation is acquiring great social benefits in culture, recreation, and freedom of self-expression; and that the moral tone is likely to be greatly improved by the new status acquired by woman.

CHAPTER IX

EDUCATION, PRESS, ART, ETC.

There has probably been no greater revolution of ideas than in the new educational system as practised in Soviet Russia. In many other departments of social life traditions are still hindering the complete transformation of the machinery. The practical working of the new educational theories in the State schools does not, however, always attain the results hoped for. Lack of funds, of new text books, and especially of competent teachers are among the chief factors which account for the partial failure in the towns; but the obstinate resistance of the peasants to any form of education or cleanliness is very serious in the country districts.

Schools

The State educational machinery at present consists of the Commissariat of Education with its central organisation in Moscow.

This Commissariat is divided into eleven Departments:—

1. Administration and Organising Council.
2. General Educational Council.
3. Technical Educational Council.
4. Juvenile and Political Educational Council.
5. Educational Council for Native States.
6. Scientific Education Council.
7. Art Council, which deals with public monuments, museums, exhibitions, opera, theatres, music, etc.
8. Literary Censor's Council to control the printed word.
9. State Publishing Council.
10. Cinematograph Censor's Council.
11. Supply Council for the organisation of educational equipment.

Each province or large town has its own local educational department, which is elected by the local Soviets and sends its representative to the Moscow Commissariat. These local organisations are directly responsible to the Central Commissariat of Education for all the schools and educational institutions within their jurisdiction. They are also responsible for the proper attendance at school of all children between the ages of 7 and 16.

Teachers are selected by the local Soviets, but always in consultation with the local teachers' Trade Union. These local teachers' Trade Unions may report direct to the Central Commissariat or through the Central Trade Union Council in Moscow.

Schools are divided into two grades; the first grade deals with children from 7 to 12 and the second from 12 to 17 or 18 years of age. Education is obligatory and free in most cases, but in the event of the State subsidy not being able to meet the expenditure in a certain district, a fee may be charged at the discretion of the local Soviet. This fee is always on a sliding scale according to the income of the parents, provided they are "workers."

Originally the Trade Union of each factory or industry organised its own schools. These are now, however, in most cases taken over by the State under the New Economic Policy in 1922.

EDUCATIONAL INSTITUTIONS, 1923-24.

	No. of schools.		Attendance.
First grade	63,713	...	4,683,000 pupils.
Second grade	1,565	...	315,000 „
Unclassified — for children between seven and nine years	693	...	—
UNIVERSITIES.			
Agricultural	27	...	19,047 students.
Industrial and scientific	20	...	31,026 „
COLLEGES.			
Agricultural	123	...	9,622 „
Industrial and technical	68	...	10,114 „
ART UNIVERSITIES.			
Higher grade	10	...	6,311 „
Technical	65	...	9,748 „

The above figures do not include the Trade Union club schools and classes for adults, which appear in another section of the report, or the schools in the Federated and Associated Republics.

Owing to the lack of accommodation and teachers most of the schools at present are working in two shifts, that is from 9 a.m. till 2 and from 3 p.m. till 9. Boarding schools have lately been established for orphans and destitute children and for children who have no facilities for attending the local school. Admission to these boarding schools is obtained through the Trade Unions or local educational departments of the Commissariat.

No distinction between the sexes is made in any of the schools or universities. Boys and girls are on an absolutely equal footing.

It is stated that over 50 per cent. of all children are now attending school; although this is not considered satisfactory it is a considerable improvement on Tsarist days. By 1927 it is hoped to have put an end to

illiteracy in all classes. The total number of schools dealing exclusively with illiterates is now 80, and the total number of pupils 4,000,000.

School Curriculum

Great attention is paid to modern languages. In all schools French and Russian are taught, and in some cases English. Thereafter come mathematics, geometry, elementary science, political economy, botany, and anatomy. Under the heading of elementary natural science and anatomy the child is given very detailed instruction in the principles of personal hygiene, sex relationship, and the construction of the body. This instruction is supplemented by lectures given by the doctor, who is attached to each school. Once a week all the children are medically inspected, and the resident doctor is responsible for their health and cleanliness.

History in all cases is almost entirely confined to social and political aspects of the nations of the world, the growth of civilisation and its effect on the workers of various countries. Social reformers, their lives and creeds, have entirely taken the place of the history of kings and dynasties. The wrongs and oppressions to which the people have been subjected by the ruling classes are strongly emphasised. This fundamental principle penetrates into all branches of the child's education.

Very considerable care is devoted to instruction in all branches of art and music. Works of art, collected under the nationalisation of private property, have now been placed in the public museums of all the large towns. These museums are daily filled with bands of children under the guidance of a teacher. Each lecture carries with it its subjective lesson on Communism and the rights of the worker. Should the museum have been the former residence of some wealthy individual, as is often the case, the children are first taken round the buildings and shown the luxury in which the former owner lived. After this introduction the class is taken round the exhibits.

The following may be taken as typical of the instruction given to a class of twenty children visiting a picture gallery. The lecturer commenced with a very thorough explanation of the technical and artistic properties of a picture of still life (fruit in gold embossed salvers on a table covered with an embroidered silk cloth). She then turned to the children and asked, " Can any of you tell me why this picture was painted? " Nobody replied. " For the same reason, my little comrades, that you like to have a picture of Lenin in your room, to remind you of what is most dear to you all. These wealthy people liked to have their walls decorated with pictures by great artists of the things they loved most, rich food, served on gold salvers of Italian workmanship, resting on silk cloths embroidered by Persian slaves."

The same teacher, after explaining the rare beauty of a Rembrandt portrait, informed the children that that great painter whose pictures now

sold for untold money, died in abject poverty because the wealthy refused him a living wage.

Universities

The universities are divided into two categories—universities of a special character, such as higher economics and technical subjects dealing with all branches of engineering, and general universities which are divided into various faculties, such as medical, science, social, which includes languages, art, archeology, law, music, and statistics. In most universities a very low fee is charged. Those students who are unable to meet the fee are subsidised by the Trade Union to which they or their parents belong, or by the party organisation.

There are also in all large industrial centres institutes known as "rabfak" (workers' faculties). These are Trade Union institutions and exclusively for industrial workers who have not received a sufficient school education to enable them to pass into the universities. In these institutions they are prepared up to the necessary standard which will enable them to enter a State university. Such students receive a subsidy from their Trade Union which enables them to continue the higher course of their studies. In many cases they do a half-day's work in the morning and attend lectures in the afternoon and evening.

These "rabfak" now number 75, the largest being the Donetz Technical School, built and equipped entirely by the Trade Unions. Forty-five per cent. of the students in the higher universities are drawn from the workers and peasants.

The full State programme includes clothing and food for all school children and students at the university. Owing to lack of funds this, however, has not yet come into force. There are, on the other hand, certain Communist institutions for sons and members of the Communist Party, at which both clothing, food, and quarters are provided. These colleges are considered to be somewhat exclusive.

Mining colleges and agricultural colleges have been established and are run on the same lines as the universities.

Art

A special feature all over Russia, and especially in the Ukraine, is the workers' art colleges and colleges of music. These do not come directly under the Commissariat of Education, but are run by the Trade Unions. The course of instruction is three years and admission is obtained through the Trade Union. The industrial worker who wishes to enter upon a course of instruction in one of these colleges has to undertake to complete a three years' course. He is then permitted to work for five or six hours a day in the factory, instead of the usual eight hours, and has to attend the college from 3 o'clock until 9 in the evening, thus completing an eleven-hour day.

At the end of three years he enters for a non-competitive examination in order to receive his diploma. This diploma entitles him to join the profession for which his studies have prepared him, or to enter a university.

These colleges are probably creating the embryo of post-revolutionary art in Russia. The professors and teachers are for the most part of the old school and their influence acts as a healthy restraint on the students, all of whom are factory workers. It is evident in these schools that an unconscious struggle is being carried on between master and pupil. The pupils are prone to reject any form of æsthetic art or colouring as typical of the hated bourgeois refinement.

Many of these institutions have just completed their first three years' course, and the progress made by the students is most remarkable. The courses cover all branches of art, music, and stage craft. As is natural in so young a movement portrait painting and sculpture are more patronised than other branches, but some very exceptionally fine scene painters have already appeared, and the Delegation saw many examples of the industrial workers' art in the theatres and workers' clubs of Moscow and Kharkov.

Portrait painting, and more especially sculpture, have taken an extremely rugged and almost violent form. Expressions of the sitters seldom appear in repose; nervous and mobile features are depicted in an exaggerated form. Statuary is never at rest, muscle, brawn, and all physical attributes are brought out in the strongest relief. The effect in the open, at great distances, is striking, but at close proximity appears inartistic, and for gallery or studio purposes is almost grotesque.

Decorative art has, for the most part, taken a cubist form, mostly in red, black, and yellow, all colours being of a very vivid and crude hue. Factory chimneys, machinery and glowing fires, and smoke play a large part in all forms of the workers' decorative art.

It was interesting, however, to note that, contrary to current reports, there is a great revival through these colleges of the Russian native arts and handicrafts, such as miniature painting on Russian lacquer, an art which was dying out before the Revolution, Russian enamel, needlework, embroidery, and lace. In spite of many difficulties, much is being done by the schools to keep the old artistic spirit of Russia alive through the turmoil of new thought and activity and to counteract the natural tendency during the revolutionary period to reject anything that is older than the Revolution.

Literature and Music

In the domain of literature and music, these schools are perhaps less fortunate. Literature apart from poetry is concerned mainly with economics. There is a striking tendency among new musical composers to seek expression in triumphant marches and the more decadent forms of syncopated noise known as jazz music. Efforts are, however, being made by these

colleges to combat this tendency to imitate the West and to stimulate a higher form of art. The unaccompanied massed choirs of, sometimes as many as 500 workers, gave striking results of this. The " International " or some other triumphant revolutionary march had, of course, to receive places of honour on the programme, but the rest of it was, however, invariably devoted to the old Russian peasant songs, rendered in a manner which was irresistible. The formation and training of these enormous mass choirs all over the country is now a special feature in Soviet Russia, which in itself repays a visit.

Opera and Theatre

The Russian stage (drama, opera, and ballet) is so well known to lovers of Russian art that it will be sufficient to say that it has weathered the storm of the Revolution and remains intact. The old operas and ballets are still played to crowded audiences. There is nothing like it elsewhere, the gem itself is unspoiled, but the setting has changed. The gay uniforms of the ruling class, the wonderful Parisian frocks and glittering jewels of their womenfolk, have disappeared from the auditorium. The new setting is more sombre. The new audience is composed of working men and women in dark clothing, who are there to see the performance and not their friends. They are highly critical, and usually less demonstrative than the old Russian audience.

In this connection it may be of interest to repeat a conversation with a dancer famous in Tsarist days. She was asked how she liked playing to the new audiences, who held no expensive bouquets of flowers, who could purchase no jewels and give no promise of champagne suppers.

She replied, " It is, of course, entirely different, but I think it is more real. Now I realise that it is only my art and talent that can make them call me before the curtain until I dance again. I think I dance better now although I am older. I certainly love my art more. Formerly I hated touring the provinces. Now I feel that I am doing something creative when I travel 1,000 miles to show the people my interpretation of a ballet. I am free to leave Russia, but yet I am glad to stay."

Most of the old favourites have disappeared or gone abroad, but new talent is not lacking.

Dramatic schools and dancing colleges are now under Government control; young workers from the factory art schools are one source from which pupils are encouraged. Most of them, however, enter as children and receive a general education as well as specialising in dramatic art or dancing as the case may be.

With the exception of one theatre in Leningrad, all are run at a loss and receive a subsidy from the State to make up the deficit. The one self-supporting theatre in Leningrad is quite the most interesting result of

We demand : Protection from Flies—Dry Clean " Nappies "—Mother's Milk—Fresh Air and Sunlight —Midwives, not Old Women—Healthy Parents.

The proportion of infants dying under one year from stomach troubles is as follows : .43 fed on milk of animals, .53 on substitute foods, and .17 on mother's milk. Mothers, nurse your children.

the optional art schools mentioned above. This theatre is entirely run and managed by the industrial workers themselves. Most of them still work their six-hour day in the factory. They have none of them received any other training than that offered by the Trade Union optional art schools. The productions at this theatre have hitherto been confined to what are termed Revolution plays. These plays, mostly written by workers, depict various phases of the Revolution, and are a most curious mixture of tragedy and humour. The Russian equivalent of Bairnsfather's " Old Bill " is a constant character.

Such plays are usually staged without scenery, or only with the merest indication such as used in the old-fashioned harlequinade which used to follow every children's pantomime. The dress of the characters are also mere indications, such as a sword for an officer, a rifle for a private. The highest talent in acting and elocution is, therefore, essential.

This form of post-revolution dramatic production is much in vogue, and has been brought to the highest form of perfection by Meyerhold in Moscow. At Meyerhold's Theatre only wooden screens on ball-bearing runners are used to indicate the scenery. There are no footlights, but a strong limelight is thrown on the actor while speaking, or on whom the audience's attention should be fixed at the time. The rest of the stage and the auditorium are completely blacked out. The whole play is worked at the speed of a cinema film, and in this manner there is no limit to the number of scenes which can be gone through in one act. The attention of the audience is held the whole time, the effects are extraordinarily realistic, and the cost of production is fractional.

Meyerhold himself described this form of staging very aptly: " You do not require illustrations to a novel. The general atmosphere of the story and the most sketchy description will conjure up in your imagination the scene in which the events are laid. Each reader imagines a different picture, but it is always one that pleases him and is in sympathy with the story as he reads it. Everything is in the writing. The same with my plays, everything is in the acting."

Under the nationalisation scheme every provincial town now has its national opera house and other theatres. These are all under Government management or sub-let to local authorities. They are not exclusively served by local talent; any artist serving the State is liable to be called upon to serve in the provinces and so provide the provincial public with exhibitions of the best talent in the land.

The price of seats in most theatres is about the same as in Tsarist days. A worker, however, on presentation of his certificate, obtains a reduction according to his category. Thus a worker may obtain a seat in the gallery at the opera for a sum amounting to 2½d. or a stall for under a shilling.

It is too early to judge whether the Revolution will bring forth any really great exponents of the arts. It is, however, certain that the new system of education is granting the very greatest opportunities for self-expression to a naturally artistic and emotional people.

Art Collections

Much might be written regarding Russia's collection of art treasures in the museums and public galleries. These, however, have been extensively reviewed and written on by experts in the past. It is satisfactory to realise that rumours circulated in the European Press regarding their destruction or sale may now be classed with most of the other information received from certain quarters regarding the situation in Soviet Russia.

As a matter of fact, the collection has been increased to an almost unwieldy proportion by the nationalisation of private collections. Jewellery, plate, pictures, furniture, miniatures, armour, china, tapestries, sculpture, arms, altar-pieces, books, and manuscripts in vast quantities are still stored, uncatalogued, in the large attics and cellars of the museums and many of the famous county seats and town homes of the nobility which have been turned into museums or educational establishments.

A large staff of experts and artists is busy sorting and cataloguing this heterogeneous mass. Those specimens of special value are added to the former collections in the existing museums and galleries. Furniture, pictures, and art treasures found in many famous homes and palaces now converted into museums remain as they were found. In the museums of Leningrad alone there are over 50,000 pieces of china waiting to be catalogued and inspected. Over 5,000 pictures have been concentrated in the great Hermitage Galleries and are now being sorted and classified. A wonderful collection of ikons and religious pictures has been centralised in the Museum of Alexander III., where a large expert staff, many of them foreigners, are engaged on restoration work. Many of these ikons and holy pictures have been found to date back to before the tenth and eleventh centuries. It was found, however, that some had been repainted several times and, in some cases, with an entirely different design. The work of restoration has now removed the later Russian designs, and the original work of the Byzantine artist has been revealed. So far the results achieved have been marvellous, and the experts declare that when the work is finished Russia will possess a collection of early religious art which will be unrivalled in the world.

In all cases when identification has been accomplished only the finest specimens of art treasures are placed in the chief museums, secondary specimens are sent to complete the collections in the provincial towns. Avowed reproductions, of which many thousands posed as originals on the walls of their former owners, are sent to the art schools which are springing up all over Russia or used for decorating the walls of public buildings.

There will be very important additions to the collections of china and pottery, tapestries and books. The increase of Russian work, both early and contemporary, will be enormous.

The Tretiakov Gallery in Moscow is still devoted to Russian painters, and here there have been many notable additions.

It seems improbable, however, that the increase in the intrinsic value of the national collection, from the point of view of foreign art, will be as great as might be expected. The dealers in Europe appear to have conspired to place their reproductions and counterfeits with the Russian aristocracy. The most important collection appears to be that of the Stragonov family, from which some very fine Rembrandts have been acquired. The collection of Rembrandt art in the Hermitage Gallery is now probably the best and most representative in the world.

The palaces of the Tzars and Grand Dukes remain untouched; even the toilet and writing tables are seen in exactly the same state as they were left by their former owners. Stolipin's great seat in the centre of a large park on the outskirts of Leningrad has been thrown open as a museum on certain days during the week. The Trade Unions wanted this wonderful house and park as a sanatorium for the workers, but the Government decided that from certain aspects it was of more public value as a museum, and as an illustration of the formal state which surrounded the former Prime Ministers of the Russian Empire.

It is remarkable the zest with which the custodians and experts in these museums are working. Most of them are former employees, but some of them were formerly owners of private collections. Every facility is given them by the State to pursue their investigations. The galleries are well heated and open to the public on certain days only. Work, however, continues all the week and bonâ-fide students are admitted on all days. The charge for entry is purely nominal. A register is kept at the door in which visitors enter their names and addresses. Careful statistics are kept of the number of visitors, especial note being taken of whether they are local residents or visitors. On all public days large classes of children, workmen, and students, may be seen in charge of a guide or teacher receiving instruction regarding the exhibits. Many of the classes are often organised parties from the provinces.

Printing and Publishing

The newspaper press and publication of books, leaflets, advertisements, and posters—in fact, the printed word in any form, also comes under the control and jurisdiction of the Commissariat of National Education. The two special departments of the Commissariat dealing with the printed word are the National Publishing Department and the Censor (Gosizdat and Glavlit).

Censorship

Application for the permission to publish all printed matter must be made to the Publishing Department. In the case of books and pamphlets the typed or printed MSS. have to be passed by a special Editorial Commission attached to the Publishing Department before final permission for publication can be obtained. The Censor then reviews the book in print after permission to publish has been received. In this manner the publisher and the Editorial Commission, not the author, are responsible to the Censor.

Books

The publication of books has increased very largely during the last two years. It is everybody's ambition to write a book in order to supplement his income.

If the work is accepted a contract is then drawn up between the author and publisher for a specified number of copies. In cases where an author is unable to sell his work to a publisher he may obtain the right to publication by applying direct to the Censor through the State Publishing Department; he can then publish at his own risk, or, in the case of some scientific work or work of public interest, he may obtain payment from some organisation or the State Educational Department itself. The second and subsequent editions of all publications form the basis of a separate contract and price by agreement. Besides the State Publishing Department there are now a number of private publishers.

Press Censorship

Each newspaper is a self-contained organisation with its own editorial staff. There is no obligation on the members of the staff to be Communists, but a Government inspector from the Censor Office reads through the proofs before each edition goes to press. This official, who is a Communist, acts in in very much the same capacity as regards articles and news as the legal adviser retained by most British newspapers, but he has the right to refuse publication of information which he considers contrary to the State regulations. The ultimate responsibility, however, remains with the editorial staff.

Press Propaganda

The organisation and control on certain definite lines of the printed word is considered to be one of the greatest trusts and responsibilities of the present rulers of Russia. In the words of Lenin, it will be possible, with the aid of the printing press, to break down the many traditions and customs which are still retarding the progress and correct evolution of the new ideas. The main features of the Russian Press, and, in fact, all literature in general, are therefore devoted to instruction and propaganda on the theories and practice of the many ramifications of Soviet rule.

The economic and social side of life under the new conditions is dealt with by the Press in great detail; and a special feature is the verbatim reports of all speeches made by the leaders at party meetings and congresses. Foreign and political news and the comments of all sections of the foreign Press are well set out, even in the smaller provincial papers. The absence of all sensational news stories of no instructive or public value is very marked. In fact, Soviet newspapers, although perhaps a little dull at times, are considerably cleaner reading than the newspapers of other countries.

Newspapers

The " Pravda " (Truth) is the Communist Party organ. The paper deals with general news, but its special feature is the activity and views of the Communist Party organisation. This paper has one of the largest general circulations, and is looked upon as the mouthpiece of the Government. It also acts as a press agency for the provincial newspapers. The rest of the newspapers are divided into sectional categories as follows:—

1. General newspapers—town, provincial, and rural.
2. Trade Union newspapers dealing with matters pertaining to their particular union.
3. Peasants, workers, and professional newspapers.
4. Economic, military, and technical.
5. Co-operative societies and national newspapers.
6. Weekly and monthly periodicals on art, music, literature, and agriculture.
7. Rosta, the official Soviet Press Agency.
8. Factory wall papers.

Press Circulation

The comparative daily circulation figures are as follows:—

	1914.		1924.
No. of publications	447	...	498
Circulation	2,728,700	...	2,530,000

In the rural and agricultural districts the number of publications has increased from 131 in 1914 to 168 in 1924; in the large centres, however, there has been a slight decrease. The decrease in general circulation is undoubtedly due to the disappearance of the middle and business classes, and to the fact that every industrial and agricultural organisation has its own club, which subscribes to the principal central newspapers and all the local ones. In this manner it is reckoned that each copy is read by at least ten persons. In most of the workers' clubs voluntary readers read the newspapers aloud at specified hours to members who are unable or unwilling to read. The reading public is, therefore, far in excess of figures suggested in the comparative statistics. The " Peasants' Gazette " and

the "Red Star," both peasants' and workers' newspapers, were only started at the beginning of this year, and have each reached a circulation of over 400,000 daily. In the above figures the native, vernacular Trade Union and Peasants' Press is not included.

Wall Papers

One of the most interesting features in Soviet journalism is what are called wall papers. These consist of printed, typewritten, and, in some cases, hand-written slips, which from day to day are pinned on a board on the wall of the factory, club, institute, or other meeting-place of the workers. These slips contain articles, views, news, comments, etc., of the workers themselves. Each wall paper has its own organised editorial and printing staff, and is entirely run by the workers themselves under the auspices of the Trade Unions. Special correspondents are selected from among the workers, who gather news and send anything of general value appearing on these wall papers to some of the recognised newspapers in the cities. The origin of these wall papers sprang from the activities of the Russian Press Agency, "Rosta," which, in the days when paper was scarce, printed its telegraphic news on small slips, which were distributed in single copies to the clubs and meeting-places of the workers, and then pasted to the white wall. The workers soon began to write their own comments on the wall below. When this was stopped they wrote their comments on scraps of paper, often cigarette packet wrappings. From these efforts sprang the organisation which is now represented in almost every workshop and club in Russia. These organised wall newspapers are a medium through which the workers can express their opinions, not only as regards general politics, but also on questions concerning the factory or institution for which they are working. Their success has been so great that they have become preparatory journalistic schools. The Factory Committees of the Trade Unions take very careful note of any young correspondent or contributor of merit, and from time to time make selections of candidates for the literary schools or institutes of journalists, where students receive a special training in all branches of journalism. Much young talent is appearing from this source.

Freedom of the Press

The older journalists of to-day, as in fact the whole of the contemporary Russian Press, are the outcome of 20 years of labour and oppression. Most of the writers have served many years in prison under the Tsarist regime. After the Revolution in 1905 a very strong agitation was started for greater freedom in the Press. The movement met with a certain amount of success until 1909. Repressive measures were then taken. In 1911, however, there was a further revival of the movement, which met with a greater measure of success. Militant action was no longer attempted, but combines were

formed of various newspapers with dying circulations. Rights for the publication of new newspapers were also obtained. In this manner various political groups became possessed of the right of publication by several newspapers, of which only one was printed and issued. Directly it was closed by order of the authorities for too free an expression of views it continued its activities under another permit and under another name. In this manner the " Pravda " changed its name twelve times during the period 1912 to 1914, and 16 members of its editorial staff suffered various terms of imprisonment.

As will be readily seen there is still no opposition Press. In spite of this, however, very considerable latitude of criticism is allowed, these criticisms take the form of open discussions on social and economic questions. No attack on the Communist Party is permitted. The authority of the existing Government is in all cases strongly upheld. This is evident in the attitude of the whole of the Russian Press against Trotsky in his recent criticisms, which latter amounted to an attack on certain phases of the present system of rule.

Very few newspapers at present are self-supporting; for the most part they are subsidised by the organisations they represent or the Government, which looks upon them as part of the State educational system. A certain income is received from advertisements. The advertisements mostly consist of theatre notices, notices of party and Trade Union meetings, and co-operative stores, all of which have to be paid for by arrangement.

General Conclusions

From the above necessarily inadequate review of the Soviet educational system it will be realised that every opportunity and encouragement is given to the worker, no matter what may be his or her calling, to obtain the best instruction in any branch of art, industry, science, or literature for which he may feel he has an aptitude. The results which were seen by the Delegation in all the districts visited were certainly astounding, especially when it is considered that the whole system has not yet been in operation for three years. Many of these workers had no intention of leaving the factory in which they had worked all their lives or altering their lives in any way. The training they had received in the optional schools or other institutions had, however, given them an entirely new outlook on life and made their leisure hours a pleasure. Others were by these means enabled to quit an irksome and routine job for a profession to which their talents and bent fitted them. A peasant or a worker can by his own energies rise in his or any other profession with the aid given to him by the system. The pathetic feature in our own civilisation of wasted and dormant talent, the slave of circumstance, owing to the absence of all possibility of outlet or instruction through lack of means, seems likely to become very rare among the workers of Russia.

CHAPTER X

PUBLIC HEALTH AND HOUSING, ETC.

Disease

Prior to the Revolution the registered death rate in Russia was higher than any other country in the world. The mortality among children under the age of 1 year was nearly three times that of any other country in Europe. During the general mobilisation at the beginning of the war in 1914 it was found that 45 per cent. of the male population was unfit for military service as not coming up to the standard established at that time. Most of these defectives were suffering from syphilis in a more or less acute form, the disease being rampant in the villages and rural districts. During the war and the Revolution typhus, typhoid, smallpox, and malaria were epidemic in all parts of the country; but reliable statistics dealing with this period are not available.

It has now been established from former official records that over 1,500,000 were killed during the war, and that another 1,675,000 lost over 50 per cent. of their working capacity as a result of wounds or sickness. During the Revolution and the Civil War (Denikin's offensive and others) it is reckoned that a further 6,500,000 lives were lost from casualties in fighting, disease, and infant mortality; finally, the famine of 1921 and 1922 carried away 5,000,000 men, women, and children, bringing the total recorded losses to Russia during eight years up to nearly 15,000,000.

The first reliable statistics dealing with public health since the Revolution appeared in 1920. The number of registered cases of typhus had then reached nearly 4,000,000 and amounted to 365 per 10,000 inhabitants. In 1921 a cholera epidemic broke out in the south, and for six months the registered cases averaged over 200,000. In 1922 typhoid cases reached 1,500,000 and recurrent 300,000. At the same time scarlet fever and smallpox were epidemic in many parts. Such was the state of Russia in the years 1921 and 1922.

Hospitals

The former Russian town hospital establishments, although of the most up-to-date character, were hopelessly inadequate to meet the requirements even of the town populations, whereas in the rural districts hardly any accommodation at all existed.

TRADE UNION CLUB ART SCHOOL

Very extensive measures had, therefore, immediately to be taken to cope with the situation. Large country houses, which had been taken over by the peasants, were requisitioned, and by the end of 1922 641,965 beds had been equipped by the Commissariat of Health. Owing, however, to the shortage of doctors, and lack of medical supplies, little more than beds and segregation could be provided for the patients. Most of the available supplies were devoted to the 150,000 beds which were set apart for children.

By means of segregation alone, however, great strides were made during the next 18 months, and in May, 1924, the position had already almost returned to the pre-war normal. Typhus still existed, but in June of that year there were only 1,640 patients under treatment, typhoid patients had been reduced to 1,100, and only 634 smallpox cases were reported. Influenza and malaria are, however, still a serious scourge; in May, 1924, 475,000 patients were under some form of treatment for malaria.

With the return to more normal conditions, the Commissariat of Health has been able to reorganise the old establishments and such new ones as had been hastily arranged to meet the period of epidemic.

These establishments have now been equipped and placed in five different categories: Hospitals, dispensaries for out-patients, sanatoria, rest homes, and maternity homes.

The following statistics will give some idea of the reconstruction work that has taken place during the last two years:—

Town and Districts.	Hospitals.	Dispensaries.	Beds.
Moscow Town	62	136	13,000
Province	300	530	20,000
Leningrad	50	65	10,000
Province	130	160	13,000
Kursk	40	10	500
Province	100	160	4,000

The total figures for Soviet Russia, as compared with the same area administered by Tsarist Russia in 1913, are as follows: —

	1913	1924
Population	87,100,000	76,000,000
Hospitals	4,769	3,937
Beds	136,117	198,471

The above figures do not include the medical and sanitary arrangements for the railways and waterways. These are served by a special organisation and a separate department of the State.

During the revolutionary period the various Trade Unions, factories, and other undertakings had organised their own medical services. Under the New Economic Policy these have now all been taken over by the Commissariat of Health. The railways and waterways are, however, in a somewhat different position to other undertakings, and their medical

organisations, which constitute a separate department of the Commissariat of Health, still retain a certain measure of autonomy.

The 40,000 miles of communications are now divided into 170 sections on the railways and 120 sections on the waterways. Each section is controlled by a special medical staff consisting of a doctor, assistant, and inspector, and two or three sanitary gangs according to the length of the section. Each divisional doctor is responsible for the sanitary conditions of the whole of his section, not only as regards the railway itself, but also its personnel and the passengers travelling over the section. In the event of infectious disease breaking out in any section he has certain definite powers to deal with the transport of passengers from infected to clean areas.

In 1912 the railways and waterways of Russia were equipped with 143 hospitals and 5,725 beds. These have now been increased to 297 hospitals with 18,000 beds.

Health Resorts and Rest Houses

The former health resorts in the Caucasus, on the Black Sea littoral, and the Crimea have now been organised as free sanatoria for the workers; last year these dealt with over 700,000 patients.

An entirely new feature in Russia is the numerous large country houses which have been converted into rest houses for the workers. These establishments are neither hospitals nor sanatoria, although they are under the supervision of a medical staff. A worker who is suffering from fatigue, or is run down in general health, by application to his Trade Union is sent to one of these establishments free of charge. The rest houses have a considerable acreage of ground attached to them where games are organised. The prevailing feature of these establishments, which are supported by the Trade Unions, is the organised social life and the general comfort and ease of the surroundings.

Welfare Work

Special mention must be made of the Baby and Motherhood Welfare Department of the Commissariat of Health. This Department has been in operation for the last two years and has already had very far-reaching effect in the industrial areas.

In 1922 special laws were incorporated in the Civil Code dealing with the welfare of the mother and child. According to the law illegitimacy no longer exists, and the same benefits accrue to the mother with a child born out of wedlock as to the mother whose marriage has been registered.

The law establishes that any woman about to become a mother shall be free from all work for a certain period before and after the birth of her child. This varies from eight to six weeks before and after the birth, according to the nature of the woman's work. During this period she receives full wages and a special allowance regarding food for nine months

after the birth, if she is herself feeding the child. On her return to work she is allowed half-an-hour in every three and a-half hours to attend to and feed the child.

No working mother is allowed by law to leave any child under the age of seven years at home or with neighbours while she is at work. The children have to be left at the recognised crêche of the factory or institution for which she works. On arrival there the child is washed and clothed in crêche overalls. The younger children are amused with organised games on the Montessori system, and rest on beds for a specified time each morning and afternoon. The elder children are prepared for the kindergarten. It is the duty of the Child Welfare Committee to see that these regulations are being carried out.

The Baby and Motherhood Welfare Department has made full use of the Committees of Social Welfare which were built up during the revolution by the Trade Unions for the purpose of organising the social side of the workers' lives.

These Committees are elected by the workers of each factory or industrial area, and, under the auspices of the Commissariat of Health, now elect from their midst competent members who constitute an administrative committee or bureau, whose sole purpose is to organise and administer the baby and motherhood welfare of the institution or group of workers they represent. This administrative bureau may appoint or engage officers, inspectors, and staff, and is responsible to the Department of Baby and Motherhood Welfare for the administration of crêches, lying-in hospitals, and benefits to mothers according to the law and special regulations laid down by the Commissariat of Health.

Further, the Committees organise lectures and public meetings on all subjects dealing with hygiene of the mother and child, and distribute among the workers pamphlets and literature issued by the Department. It is also the Committee's province to see that each mother is attended by a certified midwife or doctor. The Committee reports to the Department of Baby and Motherhood Welfare, and elects its representative to attend the yearly conference held in Moscow.

Under the auspices of these Sanitary and Health Commissions it is hoped eventually to penetrate all the towns and villages. Every child up to the age of 3 years and every expectant mother comes directly under the Baby and Motherhood Welfare Department of the Commissariat of Health. At the age of 3 the child's welfare is passed on to the Commissariat for Education, under whose authority are all kindergartens and schools.

Other institutions established lately under the Children and Baby Welfare Schemes are:—

1. Juvenile receiving stations, which are open day and night for the purpose of receiving children found homeless or straying. They remain at

these stations until homes are found for them. There are at present over 200 such stations scattered all over the country.

2. Psychological observation stations for studying children with mental and moral peculiarities. There are now 65 such stations, where over 6,000 children are under observation.

3. These observation stations work in conjunction with 375 special commissions, composed of a doctor, a teacher, a lawyer, which are now established all over Russia.

4. Special institutes for training inspectors are now being established, and there are already in operation 275 institutions for mental and morally defective children.

Village Welfare and Sanitation

The organisation in the industrial areas appears to be very complete and efficient, but the rural and agricultural districts still leave a great deal of work to be done. Considerable propaganda work is however, being accomplished; attractive posters and pictures may be seen in all the clubs, public buildings, and railway stations, and much free literature dealing with this subject has been distributed among the peasants. The agricultural districts of the Ukraine appear to be much better equipped than any other part of rural Russia.

Difficulties met with in perfecting any sanitary and health organisations in the rural and agricultural districts are considerable. Lack of funds, trained doctors, nurses, and teachers have been a serious difficulty. A central institution has, therefore, been established in Moscow, which provides special courses of one year for doctors who have received their ordinary degree, a course of two and a-half years for midwives, and a special course for nurses, all of whom receive practical instructions in the institute.

The most serious difficulty, however, in many rural districts is the attitude of the peasants themselves. Any measure of cleanliness or hygiene is resisted to the utmost capacity. Much political capital has been made out of this resistance, and certain riots which have lately taken place in the villages have been attributed to political causes, whereas in reality they were the results of the activities of the Sanitary Commission. There are certain deep-rooted traditions among the peasants almost impossible to eradicate. One is an affection which they lavish on certain household pests known in this country as " bugs." It is considered unlucky to be without them. A peasant when changing house or going on a journey must take a few in his bag or disaster may befal him. Many students have sought the origin of this curious superstitution, and the general conclusion is that in the minds of the primitive tribes these little creatures represented the spirits of departed ancestors and relatives.

In August of last year a Special Sanitary Commission discovered in Siberia an isolated and self-supporting tribe nearly 600 miles from any habitation. These people had never used water for any other purpose than to drink. Neither their bodies, their clothes, nor their eating utensils were ever washed. Force had to be used to wash them. Unfortunately the first man who was bathed died either from fright or suggestion, and considerable trouble arose. The discovery of this tribe has created considerable interest in ethnological circles in Russia, as it is considered to be the first instance on record of a tribe existing in such complete isolation and unable to realise the use of water. It serves, however, to illustrate the vastness of the Russian Empire and the difficulties met with in the remoter districts.

It is very noticeable that even the most backward and conservative peasant will take advice on all subjects from members of their own elected committees in a manner which they would never have taken it from a doctor or official of the old Government.

Birth Control

The question of birth control is being seriously considered by the Commissariat of Health, and a special commission has been set up for this purpose. The movement is at present confined to instruction and advice given by competent authorities who act through the Baby and Motherhood Welfare organisations. The workers and peasants are advised to restrict their families within the limits of reason. They are told it is better to bring up three or four healthy children at reasonable intervals which will enable the mother to retain her health and devote herself to the upbringing of each child, than to leave the begetting of the family to their natural instincts.

State birth control was at one time seriously considered. The theory being that in a country which is neither imperialist or capitalist huge standing armies are no longer necessary; while on the other hand the population of workers and peasants should be regulated in proportion to the requirements of the growth of industry and the economic situation of the country.

Abortion

Abortion, practised by unauthorised persons, which was formerly so prevalent in Russia, is illegal under the severest penalties. A law was, however, formulated, and still stands, whereby a woman can procure abortion by an authorised person in a State hospital, if she is able to give to the medical board satisfactory evidence why she should not have a child. Among the necessary reasons are, her incapacity to bring up the child, the probability of her health or working capacity suffering, or that the period of motherhood would interfere with some public work on which she is engaged.

This, however, has been found to be open to many abuses and likely to permanently injure the health of the woman. Other methods, known to the medical profession are now being considered, and it seems probable that the law will be changed in the near future.

Cleanliness

The Autonomous Federated Republics have been brought into line on the question of Public Health by the organisation of regional Health Congresses and the yearly Health Congress at Moscow, to which all Delegates travel free to the place of meeting, are lodged and receive their food and entertainment at theatres and public places without any payment. As may be easily understood, these periodical gatherings of the various organisations all over Russia are a great incentive to the people to enter into the spirit of co-operation with the system.

To the most casual observer who has any knowledge of Russia before the Revolution public places and railway stations are considerably cleaner. The former litter of cigarette ends and the husks of sunflower seeds which the people chew have disappeared entirely. Obscene pictures and finger marks no longer disfigure the walls. It is now possible, though not always agreeable, to enter a public lavatory. Much of this change is due to fines and strict police supervision. Through all streets in the large towns and public places are receptables for cigarette ends and waste paper. There are rigid restrictions against smoking in the corridors of theatres and public buildings. At times the search for the smoking-room becomes very irksome. Over 800 Delegates sat through the Trades Union Congress without any apparent desire to smoke, and the white walls, which had not been decorated for two years, still remain spotlessly clean. The most curious instance of this care of public property is, however, to be seen in the workers' rest houses mentioned above. These are usually the former country seats of the wealthy. In most cases they have been redecorated, the walls being distempered white or in some light colour, and the woodwork, in all cases where paint existed, is enamelled in white. The furniture in the living rooms (pictures, hangings, and carpets, etc.) is usually that left by the former occupants. These rooms often contain Louis XV. furniture, with gilded legs and satin covers. The Delegation entered many such rest houses, which had not been decorated for three years. Hardly a mark had appeared on the walls and the white enamelled doors, and there was hardly a chip off the gold-legged chairs. The authorities state that the effect of these rest houses and their luxurious fittings is much greater than any form of propaganda and legislation. A worker or a peasant after a month's holiday in these surroundings returns to his own home armed with a duster and pots of paint, which he utilises in his spare time by cleaning and decorating his own quarters.

Housing

Housing in Moscow and in many large towns in Russia presents very serious and peculiar difficulties. During the first period of the Revolution, when private property was confiscated, a general re-shuffle of quarters took place. Little or no system was followed in the forcible requisition of blocks of residential flats. A natural tendency of the industrial workers was to seize any building in the vicinity of their place of work. The non-industrial class was thus forced to find accommodation how and where it could.

The poorer class of dwelling formerly occupied by the workers was deserted, and consequently fell into a hopeless state of disrepair. Owing to the lack of any ordered system of administration and responsibility for upkeep, many of the stone buildings taken over by the workers themselves depreciated to such an extent that they were rendered practically uninhabitable. By 1920-1921 the position had reached a crisis. Over 25 per cent. of the housing accommoadation in Moscow and Petrograd was found already to have become uninhabitable and derelict. Owing to the fuel crisis during the winter the empty wooden houses were pulled down and used for fuel, and in many cases the window frames and doors of the abandoned stone buildings were removed for the same purpose.

In 1920 the population of Moscow had fallen from 2,000,000 in 1917 to a little over a million people. From that date, however, owing to the depression in the agricultural districts, and the commencement of reconstruction in the industrial areas, a great influx of population into the cities took place and has steadily continued. By the end of 1923 the population of Moscow increased to over 1,500,000, and in other industrial centres had almost doubled itself.

Nationalisation

Under the banner of Communism, during the first years following the Revolution, the houses were claimed by the tenants as communal property. This doctrine had already spread into the factories, which the workers, with the support of their Trade Unions, were also claiming as their own. The position threatened to become chaotic until, under pressure from the Communist Party itself, the Fourth Trade Union Congress, which met in 1921, was forced to abandon its attitude, and by Government decree all real property became vested in the State.

At this time Lenin's New Economic Policy was first put forward; it was, however, nearly a year before it became operative throughout the whole system. Under this scheme, which embraced all economic branches in the State and permitted a measure of private ownership and trading, all small houses of a capital value up to Rs. 10,000 (£1,000) were returned, where possible, to their former owners. Private traders, known as Nepmen, were encouraged to rent or purchase from the State on a leasehold basis,

larger buildings which were in need of repair; these they undertook to place in a certain standard state and to be responsible for their upkeep during their tenancy.

House Committees

Under the old Communist policy housing associations and committees elected from among the tenants had been set up for the purpose of administrating the buildings in which they lived. With the New Economic Policy these committees were made to conform to certain State regulations, and regional Government inspectors were appointed for each district.

In the larger buildings which were occupied by the Nepmen, or had been purchased under the new scheme, it was soon found that these housing committees were apt to take all possible measures to exclude the workers from their premises. In many cases rents and other conditions were imposed which made it impossible for the worker to become a sub-tenant. In 1922, therefore, the Government issued a decree which handed over 10 per cent. of the total floor space of each building to the Town Soviet. District inspectors then allocated this 10 per cent. among the industrial workers. The attitude of the committees of buildings inhabited by a majority of Nepmen and associates, however, still remained adamant. As a result of this the Government took serious measures, and these committees were forced to accept the workers on a level footing and to admit them to executive positions on all housing committees.

Rent Regulation

Early in 1924 further legislation was found necessary to fix the tenants' rent on a sliding scale. These rents are now calculated on the square sâjen (7ft.-) of floor space occupied by the tenant, and range from ten kopecks to five roubles a month, according to the wage or income of the occupant, that is, in accordance with the category into which he falls. Each tenant is allowed from 16 to 20 square arschines (one arschine equals 28in.); extra accommodation may be acquired, if available, at three times the regulation rent.

Rents are paid to the house committee, which is responsible for the allotment of floor space, the general upkeep of the buildings (including external and internal repairs), cleanliness, lighting, heating (where central heating exists), order in the building, and the upkeep of the pavement in front of the house. Much depends on the composition of these committees, and often very different results are found in adjacent houses occupied by the same class of workers.

Extra floor space is allotted to doctors and certain professional men, a doctor being allowed an extra room in which to receive his patients.

Housing Regulations

A visitor to Moscow who is able to pay the prices asked in the State controlled hotels can find accommodation; he will otherwise have to apply to the Town Soviet, which will hand him over to a divisional inspector, who will allot him quarters. He will then have to pay rent according to the category of workers, or otherwise, in which his calling places him. He can feed in a co-operative dining-room, but if he is not a member of a Trade Union he will be charged as much as 80 per cent. more than the tariff allowed to industrial workers: he will also be liable to be moved out of his quarters to make room for a recognised worker or professional man.

Results

As may be imagined, the result of these housing arrangements in large cities is having a very marked effect on the social and family life of a large section of the community.

The majority of the workers have undoubtedly obtained better housing facilities. Pride of public ownership is quite remarkable, but only among the more educated and the higher grades of worker does it appear to have been extended into the homes. Cleanliness and order in public places are slogans of the day, but very little attention appears to have been yet paid to fresh air and ventilation.

Family Life

In the majority of cases the worker on returning from work leaves, as soon as he has finished his meal, for his club, his technical studies, or a meeting. The worker's wife and children, over a certain age, who are not eligible for membership, are allowed to participate in the social side of the club. In this manner he is encouraged to take them with him. There is, however, very little family life.

Housing arrangements, which have certainly improved the hygiene and social position of a large section of the workers, and given them greater opportunities for collective organisation, have probably been a great factor in accomplishing one of the principal aims of the Revolution, that is, the breaking up of middle-class society. The professional classes, administrators, and employés are now forced to live in one room, or at the most two rooms. Social intercourse among families has therefore become impracticable. The Russian institution of the family tea party and gathering is now almost extinct. Both men and women are, in the majority of cases, employed during the day, and have no particular desire after the day's work for social functions of a private character, even if they are able to afford such luxuries. Feasting and gaiety can undoubtedly be obtained at a price, but are now confined to the few, and to rare occasions.

Housing Scheme

The present housing crisis is, however, only temporary, and its duration depends on the possibilities of the complete realisation of the new State housing scheme, the fulfilment of which will greatly benefit all classes of the population.

The scheme embraces the construction of garden cities outside the towns and industrial areas, but connected by a system of electrical railways or tramways. Many of these little cities have already been built outside the larger towns. The houses are detached or semi-detached and each stands on about one-eighth to one-quarter of an acre of ground. The roadways or streets are of great breadth and each plot is self-contained. The plans of the cities and the houses are usually the outcome of competitions at the local factory art schools and all include a large co-operative store, school, and club.

The houses themselves are built on the latest recognised housing plans, with high rooms, up-to-date sanitary appliances, and labour-saving devices. They vary in size, but usually consist of four rooms, a kitchen, bathroom, and outhouses. A single house is costing the Government about £800 inclusive of drainage, land and roading, and a double or semi-detached house costs £1,200.

As these garden cities become inhabited the flats in the towns are correspondingly evacuated, giving greater accommodation to the brain worker.

In Leningrad there appears to be no shortage of houses. It is the only town in Russia where a whole flat is obtainable for one family. In other towns at present families are confined to two or three rooms at the outside.

Prisons

The whole system of prison administration and the treatment of non-political prisoners in Soviet Russia is based on the latest theories of criminal psychology. The humanising of prison life is a striking feature of Russian administration. The ordinary criminal is detained in prison not for the purpose of punishment, but with the view to educating him to become a useful citizen and worker.

This is perhaps one of the most remarkable changes in Russia, and is apparently working with the most excellent results. The atmosphere of a Russian prison is now more that of a workshop of free workers than that of a house of detention or a jail.

Large workshops have been installed wherever space is available, and in the older kind of prisons the large broad corridors leading to the cells have been utilised for this purpose.

Each prison is self-supporting as regards general requirements. A large kitchen, staffed by prisoners, prepares the food for the establishment. An up-to-date steam laundry works at full pressure, doing the prison

washing, the washing for railways, Government offices and institutions, such as co-operatives and hospitals. All the prison furniture, clothes, boots, and other requirements are manufactured on the premises, and outside orders for Government departments, etc., are fulfilled when possible.

A prisoner on entering the prison is placed to work at his own trade. In the event of his not having learned one, he is allowed to choose to which trade he will become apprenticed. He then commences work at Trade Union hours and wages. The wages are paid to him monthly in the form of a cheque which his family or relations can discount for cash, or which he himself can discount for goods at the prison co-operative store. In the event of a prisoner refusing to work at a trade, he is drafted into one of the workshops and left alone to idle. In all cases, however, he invariably commences work after a few days' idleness in order to obtain pay and privileges received by his comrades.

The prison fare consists of tea and bread in the morning, a midday meal with as much soup as a prisoner cares for, with a ration of ¼lb. of meat or fish, which varies from day to day. In the evening tea and bread is again served out.

The cells are open all day, and in most cases consist of a dormitory of some ten or a dozen beds, which are drawn up against the wall during the daytime. These beds consist of an iron framework across which is stretched thick canvas or sailcloth. A pillow and blankets are supplied, and the prisoners are allowed to supplement their own bedding. Each prisoner is supplied with a small table, and pegs on which to hang his clothes. At the end of each corridor, or set of cells, is a common lavatory and washing-room. The beds may be let down during the daytime if a prisoner desires to rest when off duty.

In some cases meals are served in a common dining-room, in others prisoners select from their midst squads to fetch the food from the kitchen. These squads are responsible for cleanliness and the washing of the utensils and the cells.

At night all cells are locked, and warders patrol the corridors.

The system, of course, varies slightly in different prisons according to the accommodation and arrangement of the building. The most systematic measures are taken to eliminate all signs of the old prison system. There is no prisoners' guard, and the prisoners wear their own clothes. They are not numbered, but are known by their names. The most startling feature, however, in these establishments is the arrangements for guards and warders. Weapons of defence, such as rifles, revolvers, swords, and whips, are never seen within the precincts of the prison. In fact a uniformed official is seldom observed. Such soldiers and militia men who patrol the interior of the prison from time to time have the appearance of being unarmed, although in reality they carry a Mauser under

their coats. The warders themselves are all skilled workers and instructors in the trade at which their gangs are working. In every section of 15 working prisoners is one warder who himself works with the gang either as foreman or instructor. All are dressed in civilian clothes, and to the visitor it is difficult to distinguish a warder from a prisoner.

It is indeed a remarkable sight to witness a large carpenter's shop of over 100 prisoners working with ordinary implements, such as hammers, chisels, and saws, with only two, apparently unarmed, militia men strolling among them and six working warders. These prisoners consisted of burglars, bandits, and men convicted of robbery with violence.

Formerly armed warders stood at every corner and at the end of each corridor. A special guard was stationed in an iron cage, with direct communication with the guard-room, to guard him from attack.

There is no segregation of the sexes during working hours. Men and women work together, and in one tailoring shop visited by the Delegation a man and woman, who happened to be husband and wife, were seen working at the same machine.

Each prison has its own co-operative shop run by the prisoners themselves. The shop is stocked according to the requirements of the prisoners, and goods are supplied at cost price. Clothes, boots, and such commodities as can be manufactured in the prison workshops are supplied to the store from the prison.

Political prisoners come under a special category. They do not follow a trade neither do they earn a wage. Those serving long term sentences are allowed separate cells which are reasonably furnished, and there is no restriction to the amount of literature they may receive; it has, however, to pass through the censor, as does all the correspondence they receive or send out. Except in cases where solitary confinement is incorporated in the sentence, they are allowed free intercourse with each other at certain specified hours. Although their accommodation in most cases is of a higher standard, their lot, generally speaking, is more severe than the ordinary criminal. Political prisoners are looked upon as being incarcerated as a danger to the public safety, whereas the ordinary civilian criminal is looked upon as a delinquent who, by education and humane treatment, can eventually be guided into the paths of useful citizenship. Political prisoners in the Caucasus seem to be worse treated than in Russia; their conditions leave much to be desired, and, it is stated, differ very little from those which were in vogue under Tsarist Russia.

In none of the prisons do the churches function, and there is no religious service of any kind. In some cases the church is utilised as a store, a co-operative, or a prisoners' meeting house where the prisoners are allowed to elect their own workshop committees for the purpose of organising their work, and the co-operative stores.

General Conclusions

The conclusions reached by the Delegation in respect of public health, housing, and the prison system were that the Soviet Government was achieving most remarkable results. Although Russia in these matters was, before the Revolution, perhaps the most backward of European communities, yet it has in many respects already been brought up to the level of European standards; at the present rate of progress it may be expected before long to set an example that, if it is to be followed, will require a fairly radical reorganisation in States that are at present leading Europe in these matters.

REPORT ON LABOUR CONDITIONS

PART I

CHAPTER I

TRADE UNIONS

Labour Conditions

A report on labour conditions in the Union of Socialist Sovietist Republics must begin by pointing out that in Russia the workers are the ruling class. For unless the reader bears this in mind throughout he will be misled by much in Russian labour conditions that at first sight seems very much the same as with us. Really everything is quite different; because in Russia we have a regulation of the workers' rights that they have put upon themselves for their own well-being. Elsewhere we have a restriction of the workers' rights put upon them by the wealthy. Such regulations are in Russia the result of agreement between the workers and their own expert governors and managers to whom they have entrusted their institutions and their industries, their factories and their farms. Elsewhere such regulations are the result of treaties and truces between the entrenched interests of a wealthy ruling class and the assaults of a working class that as yet never rules but only rebels.

No one who grasps this—and these reports will, it is hoped, make it plain—will ever be misled by the lies he can read almost daily that the worker in Russia lives a life as limited as, and with even less liberty than, with us. The Russian workers are the ruling class of Russia. They enjoy the rights of a ruling class. They are beginning to exercise its responsibilities. They still have much to learn, but they have made a start. In a village school visited by one of the delegates the children were learning to write in copybooks in which over " God save the Tsar " had been pasted, " Once we were slaves, now we are free."

Elsewhere in Europe the industrial revolution in the course of a century had taken the power from the old rulers of the upper class, the landed gentry, and given it to new rulers from the middle class—the men who have made money. This has been for us a mixed blessing. The old ruling caste had its training and traditions, its sense of public responsibility and its own personal relations with its dependents. The new ruling class has none of these things. The Bolshie who denounces the Bourjouy as a vulgar and vicious plebeian can

make at least as good a case as the Bourgeois who denounces the Bolshie as a vile and violent proletarian. But in Russia this process of transfer of power from the upper to the middle class, was only just beginning. The replacement of the upper class, whose economic power was their hold on the land, by the middle class, whose economic power was their hold on capital and credit, was interrupted while in an early stage by the social revolution of 1917, that transferred power straight to the workers. What is now going on—has been going on since 1921—and will go on for the rest of our lives, is the working out of compromises in Russia between the Bolshevist ideal of a society based on public work and the Bourgeois ideal of a society based on private wealth.

These compromises made to suit the very different conditions and characters of the Russian would not, as they are, suit us. But there is much to be learnt from them if we will bear in mind all the time—that the Union of Soviet Republics is not the United Kingdom—that Russians are not British—and that a Soviet institution is, in its origin and object, quite different from the English institution into which it has to be translated. All this must be remembered, for example, when we speak of a Russian Trade Union.

Trade Unions

(a) **Pre-War Period.**—The course of the Russian Revolution can be very well seen in the light of its effect on Russian Trade Unionism. Russian Trade Unionism must not be confused with the Russian mediæval guilds and craft unions which kept a liveliness long lost elsewhere in Europe. Russian industrial Trade Unionism proper was, when the Revolution broke out, at the first fighting stage of its development, and never was in Russia such a protection against armed revolution as it has been elsewhere. This was because the industrial population was of late growth, was shut out from any share in ruling the country, and was condemned to the worst possible conditions of life. Russian Trade Unionism which began with a political movement, that of the Russian Social Democratic Party, would in time have educated the people politically and elevated them economically. But it was shut down by Tsarism and remained illegal until 1905; though at times it was encouraged and even exploited by Tsarism, as in the " Gapon " and " Zubatoff " Associations. In 1906, after the first rebellion, Trade Union membership reached 200,000. But the unions were then again suppressed and driven underground, where they came finally under the control of revolutionaries.

(b) **Revolutionary.**—The Revolution, when it broke out, used the unions as a revolutionary force. But even so unionism was from the first divided as to the class war. The more skilled a trade was and the higher its social status the more opposed it was to class war. For example, the printers were against—the metal workers for war. In the railways the clerks were peaceable, the others warlike. The anti-war unionists supported the middle classes with strikes and sabotage; and the first phase of the Revolution was fought within

the ranks of the unions themselves. The Third Trades Union Conference (June, 1917), based on a membership of 1,500,000, showed a majority against class war. But after the Bolshevist Revolution the First Trades Union Congress (January, 1918), with 2,000,000 members, came out for War Communism. Thereafter, Trade Unionism became throughout the reign of War Communism (1918-1921) an important instrument of government.

The first thing the unions had to do on behalf of the Communist Government was to restore control over the Factory Committees. These committees were the first machinery of the Soviet system and the motor that drove the Revolution. As in Germany and Italy, the Factory Committees took over the management from the owners and the technical staff. As in Russia the former were absentees and the latter were sabotaging the Revolution, this was necessary. But it would have had in time a very bad effect on production. For the committees began to claim that they owned the factories ; thus converting the workers into a new body of private shareholders. This, of course, was all wrong. The leaders of the Revolution accordingly turned to the Trade Unions as a means of enforcing nationalisation and of protecting production. The Factory Committee was gradually reduced to one-third of the membership of the Management Committee—the remaining members being appointed by the Trade Unions and the Supreme Economic Council. Finally, the Third Trades Union Congress in 1920 declared that the Factory Committee had nothing to do with the management, and began the movement back towards expert management.

At the same time another move of the Factory Committees was checked in the interests of the union movement. The committees had started Central Councils in Petrograd and other large towns which were rapidly ousting the Trade Unions. This was checked by the Third Trades Union Conference in June, 1917, but not finally stopped until the First Trades Union Congress in January, 1918, which put an end to the Central Councils, and made the Factory Committees local units of the Trade Union by applying generally and compulsorily the principle of One Factory, One Union. This meant that every worker in one factory, whatever his occupation joined the union to which the factory belonged. For example, in a machine tool factory, not only were the carpenters and bricklayers employed on factory repairs made to join the Metal Workers' Union, but so also were the cooks. In the same way railway repair shopmen join the Railwaymen's Union and railway stock builders join the Metal Workers' Union.

This principle of " One Factory, One Union," has become a permanent part of the Soviet system. One result of it is the getting rid of all overlapping and competition between unions—another is the division of unionism into 23 national industrial unions which are permanent and not as elsewhere constantly amalgamating and seceding.

The giving of governmental duties to the industrial unions was a war measure, and the stability of the new State under the storm and stress of

TYPICAL WORKERS' CLUB READING-ROOM

foreign invasion and domestic insurrection was undoubtedly due to the strength thus obtained. Instead of the State being, as it were, perched on one leg, that of parliamentary representation, the Russian State was propped by a tripod—a representation through the Soviets, another through the Trade Unions and a third leg that was never fully grown, the Co-operatives. The next step was to make membership of a union compulsory, and to suppress the opposition maintained by the Menshevists as late as 1920. But, unfortunately, no sooner was this done than the unions began as official organs to lose contact with and the confidence of the mass of non-partisan workers.

As the Trade Unions became more and more State organs controlling production, so their Central Executives grew in administrative authority. Out of them there grew several government organs of the first importance. The first of these was the Council of Labour Control, which, as State ownership developed, became the Supreme Council of National Economy, a change of name which expressed the changed nature of the Trade Unions' responsibility. This Council was in fact an Economic Executive equal in importance to the Council of Commissaries, the Political Executive. Meantime the Central Executive of the Trade Unions themselves was, and still is, the Central All-Russian Council of Trade Unions created in July, 1917.

During this period Trade Unionism and Communism were practically the same. The Third Congress in April, 1920, of whose 1,229 delegates 949 were Communists, passed a resolution to the effect that the Trade Unions should conform their policy to that of the party.

(c) **Recent Reconstruction.**—When the New Economic Policy was coming into force in the winter of 1920-21, the part to be played by the Trade Unions was still under dispute between the Bolshevist policy of Trotsky, who wished to make the Trade Unions into Government organs which should actually themselves run the industries, and the Trade Union point of view, supported by Lenin, that the unions should look after the interests of the workers. The Trade Unions and Lenin won. And the New Economic Policy, as adopted, relieved the unions of much of their responsibility for managing industry and administering national production and restored them to their original duty of regulating work and wages. The first move in this direction came from the Central Committee of the Communist Party on December 28th, 1921, and was adopted by the Central Council of Trade Unions in February, 1922. By the time the Fifth Congress of Trade Unions met in September, 1922, the new policy was already under way and the task of the Congress was to reorganise the unions on their present basis.

The restoration of the unions to their usual functions, though it reduced their numerical strength, at once restored their moral status as the workers' own organisation. Village and Home Craftworkers (Kustarni) were dropped from the unions, and membership fell almost by half, from 8,500,000 in July, 1921, to 4,500,000 in October, 1922, after which it again began to increase.

The process of restoring the unions to a voluntary and contributory basis was thereafter continued without further loss of membership. Collective voluntary membership was introduced in 1923, then individual membership, and finally individual payment of contributions. Individual membership and payment is now the rule for 76 per cent.

The membership in January, 1924, was 5,646,000, and in October, 6,034,000, the membership having increased during 1923 by 32 per cent. for industrial and 31 per cent. for non-industrial members. The percentage of unionists to the whole body of workers was as high as 93.4 on January 1st, 1923, and 92.9 on January, 1924. The more important of the 23 unions are the railwaymen with a 750,000 membership, the clerks with rather less, the metal workers, teachers, textile workers with 500,000 each. Sanitary, food supply, miners, landworkers, builders, all with about 250,000. The proportion of women is 28 per cent. and is decreasing.

Trade Union Organisation

Enrolment may be collective or individual, and from it are excluded village and home craft workers (Kustarni) members of craft unions (Artel), business managers, landowners, etc. The Russian Trade Union Movement to-day is organised under the All-Russian Central Council of Trade Unions (A.R.C.T.U.), which contains representatives from the 23 Central Trade Union Committees, and is elected by the annual All-Russian Congress of Trade Unions. Locally, the unions are organised under Provincial Trade Union Councils. More than 60 are under the direction of nine regional bureaux, the remainder coming directly under the A.R.C.T.U.

The base of the vertical organisation is the Factory Committee elected by the general meeting of the workers in a factory. This general meeting also elects delegates to the district and provincial conferences.

The horizontal organisation is first the Inter-Trade Union District Office, and above that the Inter-Trade Union Provincial Council, and at the head the All-Russian Council of Trade Unions.

Trades Union Congress

The All-Russian Congress of Trade Unions consists of one delegate for each 10,000 members ; but provincial branches have a delegate for 3,000 members, two delegates for 15,000 and three for over 25,000, elected at provincial conferences. Branches with less than 3,000 are grouped and elect one delegate per 10,000. Only subscribing members may vote.

Trade Union Finance

In the absence of any published balance sheets of the unions it is difficult to get a clear idea of how they stand, more especially as any available funds are freely allocated wherever they seem most wanted. Thus since a year ago, the

A.R.C.T.U. has given monthly grants of 1,500 roubles to the Land and Forest Workers for organising expenses, and another 5,000 roubles to make up the subscriptions of provincial branches to Provincial Councils; and yet another of 1,500 roubles to support their organ the "Agricultural Labourer" (Batrak).

The turning over of the educational enterprises of the unions to the State is not complete; much adult education being retained by the unions as described in the subsequent section dealing with it. In respect of this, subsidies, as there described, are received from the State, and it seems likely that this also allows the unions to undertake expenditures which are only indirectly educational.

It is clear that so long as the Trade Unions continue to do so much work for the State they will, like the co-operatives, continue to receive support from State funds. There are, for example, large grants to Trade Union educational work from the co-operatives which themselves are subsidised by the State.

The financial position of the unions seems to be improving. In January, 1923, the A.R.C.T.U. and about half the Central Executive Committees were in deficit, but in January, 1924, only three of the latter. In 1923, the Provincial Inter-Union Councils in deficit were reduced from 60 to 15 and now ten; though more than half the Provincial Councils are still in deficit. Contributions are beginning, however, to be better paid, especially where individual payment has been re-introduced. In 1923, only about 60 per cent. of the contributions were being paid—in 1924 about 70 per cent. The normal subscription which is 2 per cent. of the wage, is received by the Factory Committees and remitted to the section which administers the funds, paying 10 per cent. to the Inter-Union Provincial Council, and up to 25 per cent. to the Central Executive of the union.

Trade Union Status

The legal status and the industrial functions of the unions are defined in the Labour Code and have little that is unusual. The legal function of the unions is defined as (a) representation and (b) protection of the workers.

Trade Union Activities

(a) Restriction of Activities.—Under War Communism, contributions were paid by the State, out of national funds; but under the New Economic Policy the unions suddenly found themselves obliged to pay their own way. Their difficulties were increased by the depreciation of the currency and the heavy deficits in their budgets. Thus Central Committees' expenditure sometimes is four times the revenue; and in local committees the deficit is generally one-third the total. This heavy expenditure is partly due to the efforts of the unions to carry on what remains to them of their political and educational work for the State. Want of money soon put a stop to most of the useful educational work of the unions. Their primary schools were first given up, then the technical schools in many cases, and occasionally even the adult

classes for illiterates. In most cases this work was transferred to the educational authorities. But although this work is being yearly cut down for want of money it still causes heavy outgoings on salaries and administration. In the course of 1922, provincial Trade Union officials had to be reduced by three-quarters, and central officialdom by one-third. But salaries still constitute a very large part of the expenditure. In other respects economies have been so drastic that of the great scheme for linking up the Trade Unions all over Russia, only the central organisation remains intact. The Provincial Councils survive, but the 504 district offices have been reduced while the local secretariats have almost disappeared. In the central organisation the 15 departments have been reduced to 8, and the 268 officials, of whom 55 were Communists, have been reduced to 215 of whom 50 are Communists.

(b) **Political Activities.**—Although the Russian Trade Unions as organisations are now no longer part of the Soviet Government, yet it would be a great mistake to suppose that their position in Russia is no more important and influential than elsewhere.

In Russia the workers are the ultimate owners and rulers of industry, and though they have given the conduct of it to business managements, yet they retain the control. Representatives of the unions sit, not only on all the Councils that control industry, but on all the Councils of the Soviet Government. For example, on the Presidium of the All-Russian Central Executive Committee, which is one of the chief organs of the Government, there are five Trade Union representatives out of 13 members. There is one such representative on the Council of People's Commissaries, and on the Lesser Council of People's Commissaries, which deals with the drafting of legislation, there is another. There is also one on the very important Council of Labour and Defence and another on the principal Committee of the Foreign Trade Commissariat. On the State Planning Commission (Gosplan), there are three and others in the Special Sections. There is also a Trade Union representative on the Presidium of the Supreme Economic Council, the Industrial Planning Commission, the Building Planning Commission, the Electrification Commission, the Fuel Commission, the Concessions Committee, etc. In fact, the Trade Unions are entrusted with carrying out one of the safeguards against any undue surrender of the right of the workers to rule. This safeguard is the setting of a worker to keep an eye from the inside on the way that any enterprise or establishment, public or private, is being carried on. The object of this is, not only to train the worker in technicalities, but also to check any use of the enterprise against the new ruling class. Thus a Trade Union representative will in future be attached to every Foreign Mission, and another is assigned to every bank.

When it is pointed out that a man taken out of a factory cannot be any possible use in discovering or discomfiting the operations of a financier, the answer is somewhat as follows : We do not put an expert into the bank because, in the first place, we haven't enough. In the second place, if we did, one of

two things would happen, either the expert would be bought up, or he would run the bank. The worker won't interfere with the banker who never worries about him. But if he is capable of catching on at all, which we soon find out, he will, if there is anything wrong, in the end catch out the banker in some small point, and call in an expert.

(c) Social Activities. — The object of the Soviet system, and of the Trade Unions as a social organ within it, is to secure the fullest possible liberty and the fullest possible life to the individual worker, and to equip him by education and environment for the full enjoyment of his new advantages.

It is noticeable, and indeed natural, that the Soviet system attains its objects in this respect most completely when it works through the Trade Union organisation and least where the Trade Unions are weakest, as in the villages.

To the 5,500,000 members of the Russian Trade Unions and their families, the Soviet system has brought a new life and a new liberty. Thus a Sovietist worker is not only free to follow any trade he may select, but he is better able than anywhere else to train himself for rising in his own job from one category to another, right up to the class of highly-paid specialists. Should he have been pitchforked by circumstances into a trade for which he has no taste, he has no difficulty in getting training for another. In either case as member of a ruling class he can get training in the technicalities of Government and become a public man, subject to being returned to his trade if found not good enough.

The Delegation interviewed many workers who, by taking advantage of these opportunities had risen in the space of three years from a low category of worker to one far higher. For example, a factory sweeper who had become a scene painter, and a foundry labourer who was planning model dwellings and garden cities and had won the first prize in open competition. Again, in Leningrad and many provincial capitals visited there were local workers' theatres, of which both management and actors were factory hands on special leave from their trades. The best of them would become permanently professional actors. The same process is at work in other professions; while the precaution above-mentioned of detailing workers to supervise industrial, commercial, and financial enterprises gives almost endless opportunities for workers to enter public employment or make themselves experts. For these opportunities they are prepared in the Trade Union Schools and "Rabfacs"; and this process of constantly providing new blood to give fresh life to the State and society is supervised and supported by the Trade Unions.

Communists claim that the possibilities of a larger life thus opened to the worker prevent the discontent and demoralisation otherwise caused by the drudgery of factory life; that the slave of the industrial machine, bound to its wheels by family ties, has been changed into a worker either happy in his own

trade or with good hopes of rising out of it ; and that in either case his production is better both in quality and quantity.

The Delegation certainly found no discontent among the workers and employés, but plenty of it among those who had been unwilling or unable to fit into the new methods.

Workers' Clubs

(a) **Activities.**—The Workers' Clubs in the factories are the chief organisation through which the Trade Unions carry out their educational and social work.

These clubs were one of the first results of the Revolution and their work has gradually been organised by the unions along definite lines. One of the most important functions is teaching the worker and peasant to read and write, this being the first step towards any training of his civic conscience or his class consciousness. That done he can be further equipped either for enjoying his life, his trade, or for being employed on more important work. The clubs are also very influential in the campaigns of Communism for cleanliness and clean living. In fact, the clubs play the same part for the adult worker as the schools do for the children.

Lectures and discussions in the clubs deal with the political, industrial, economic and social life of the worker. During March, 1923, the last month for which statistics were obtainable, 4,624 lectures were given throughout Soviet Russia and attended by 861,120 people ; during that month, 5,962 plays were arranged and 1,921 concerts and social evenings, which included mass choirs and physical culture displays, at which the total attendance reached over 3,000,000 workers and their families. Since that date, nearly two years ago, the number of clubs has more than doubled ; in 1924, they had already reached the figure of 2,400 with a membership of over 1,000,000.

The club privileges are one of the main inducements for Trade Union membership. Thus a certain number of free tickets to State theatres and picture houses are allotted to these clubs each week. In Moscow and Leningrad alone, these free tickets amount to from 200,000 to 300,000 a month. Moreover, during 1923, 2,575 excursions into the country to visit places of interest and museums were made by 240,375 members of the Moscow Trade Union Club alone.

All clubs are run, staffed and decorated by the members themselves. Club activities are arranged by the committee who elect sub-committees for each circle, as it is called. For instance, there are dramatic, musical, art, literary, sport, chess and study circles, each having its own committees and arranging competitions with other clubs.

Swedish drill is a special feature of all clubs. In Moscow alone there are now 39,000 physical culture circles and it is reckoned that there are over 100,000 such circles in the whole organisation. These circles include in their programme all matters dealing with body culture and hygiene.

There are special refreshment rooms, rest and reading rooms, in most clubs. All clubs have a good library. Portable libraries issued from the large centres are in constant circulation to smaller factories and villages which have no club. In 1923, it was reckoned that these Trade Union libraries already possessed over 3,000,000 volumes.

(b) **Finance.**—These clubs are supported by :—

(1) Membership fees and contributions. (The fee for membership varies from 10 kopeks to 50 kopeks a month according to the income or category of the member.)

(2) Ten per cent. of the total membership fees of the Trade Union to which the club belongs.

(3) One per cent. of the total sum paid in wages by the factory or group of factories to which the club is attached.

(4) Three-fourths per cent. of the turnover total of the factory or district co-operatives.

(5) State subsidy, if required, through the A.R.C.T.U. from the Commissariat of Education.

(c) **Membership.**—Trade Union clubs are divided into two categories—Central or regional clubs and factory clubs. The central or regional clubs are to be found generally in the towns. Any worker in the district may join by paying a subscription, irrespective of the Trade Union to which he belongs. The factory clubs are for the use of the workers of that particular factory or Trade Union and any member of the union may use the club, though only subscribers have a vote and other privileges.

(d) **Red Corners.**—In small factories where the funds do not allow of a separate club the workers may join a neighbouring club, but in such cases there is always a " Lenin " or " Red Corner." These " Lenin Corners " are found in almost every factory or its club and usually consist of a small room decorated in red, where pictures of Lenin and books of his numerous writings are displayed. These rooms are used as reading rooms, for quiet study, and, where no club exists, for purposes of elementary education and political propaganda. In 1924, there were 2,000 such " Red Corners " established in villages and workshops which had no clubs.

(e) **Industrial Exhibitions.**—In order to promote technical industrial education, exhibitions of manufactures and machinery, with explanations of power, plant and finance are being arranged in such large works as are suitably equipped. Thirty such exhibitions are already running and it is hoped to organise another 112 this year. Thus a worker in a small or out-of-date workshop may learn how his work will be done under up-to-date conditions and with the best machinery.

(f) **Work among Women and Youths.**—Special arrangements are made for women and youths, and, in cases where no State school is yet available,

children. The education of these women and youths of both sexes begins with questions of health, hygiene, and cleanliness in the home, and is continued by various stages to general and political questions. Both women and men are encouraged to look upon illiteracy as a sign of inferiority.

(g) **Young Pioneers.**—Girls and boys over the age of 12 and up to 17 years are organised in what are called Young Pioneer detachments. This movement, based on that of the Boy Scouts and Girl Guides, seems in every way admirable. It has no militarist element but aims at creating a civic conscience and class-consciousness on Collectivist lines. The children brought up under it might be considered by us precocious; but they appear to be extremely happy, are well cared for, are careful of their persons and proud of their corps traditions. Their moral tone is high, and their influence among other school children is all for good. This " Young Pioneer " movement is considered by the Communist Party to be of the greatest political importance. It was organised at the end of 1922 when 4,000 children were enrolled ; by the end of 1923, over 200,000 had enlisted. On outgrowing the corps, both youths and girls can become Young Communists, and then Communist candidates, and eventually, if found worthy, full-blown Communists.

(h) **Trade Union Press.**—The Trade Union Press is of considerable importance, and its newspapers have a considerable influence among the workers. The whole organisation is run by the workers themselves, although it stands apart from the State Press. It is, however, bound by the same rules and regulations, and is under the authority of the Ministry of Education. It deals mostly with industrial and local problems.

Daily and weekly newspapers and journals are issued by the larger Provincial Trade Union Councils and by the Central Executive Committee. In all, there are 69 such newspapers, with an aggregate daily circulation of 1,267,000. Apart from these there are 33 monthly journals and 34 periodicals issued by the Central Executive from time to time.

The Trade Unions have lately established their own book-publishing departments in various centres. Books on the Trade Union movement are published in Russian and in the languages of the Republics. One hundred and forty-two books of a total of over 1,000,000 copies have thus been published.

Journalists for the Trade Union Press are drawn from the clubs on their contributions to the " Wall Papers," mentioned in the first section of the report. These " Wall Papers " now number over 4,000.

(i) **Higher Educational Facilities and Art Classes.**—By means of special classes and lectures, the minor Trade Union officials are trained for more responsible posts. There is a four months' course of evening classes and also a permanent course of two years to prepare students for the higher Trade Union courses at the Sverdlov State University.

The Education Department of the Trade Unions has lately acquired at the cost of 83,000 roubles many objects of art, such as pictures, statues, etc., for

their Club Art Schools, which prepare students for higher courses at the Universities or elsewhere. During 1923, 175,751 pupils were drafted into the higher courses at various universities, technical colleges and other institutions.

The percentage of industrial workers in these Trade Union clubs and their schools is 64 ; agricultural workers 28, and apprentices, 8.

In order to spread this movement among the agricultural workers these clubs have now organised what are termed patronage committees. The club then becomes the patron of a certain district or village.

Excursions are organised to visit the peasants ; newspapers and books are sent to them, and, where possible, a village club organised, of which the members correspond with and visit the parent club when possible.

By the beginning of 1924, 2,500 of these Trade Union clubs had been established in 62 out of 100 Provinces in the Union, of which 525 were central or regional clubs. The total membership was over 1,000,000.

General Conclusion

The Delegation were much impressed by the position and activities of Trade Unions under the Soviet system. Being largely freed from their main function elsewhere of protecting the workers against exploitation by the wealthy, and of preventing the public service of the workers from being prejudiced for private profit, the Trade Unions have been able to engage in educating the workers as citizens and rulers.

CHAPTER II

LABOUR REGULATION

Conscription.—Compulsory labour was introduced in the constitution of 1918, and was at first only partly enforced in practice. But the flight of the town workers to the villages from food scarcity in the towns and from recruiting for the "war fronts," caused a general mobilisation of labour in a decree of January 29th, 1920. Thereafter labour was for a short time conscripted. The Commissariat of Labour distributed it without any more regard to individual capacity or wishes of the worker than if he were a soldier. Indeed, sections of the Red Army were used for production. These measures were caused by the crying need of food, fuel and fighting men, but the results were very bad. The work of the Labour Army was largely wasted and their strength exhausted in useless enterprises. Great distress and many deaths were caused by bad organisation. Indeed, the absurdities and abuses of the experiment which have been exposed in Russian official publications were one of the main causes of the conflict with the peasantry and the introduction of the New Economic Policy a year later in March, 1921.

The New Economic Policy soon effected a complete change in the conditions of labour. At the height of Communism in 1920, the worker was practically a conscript in an industrial army. He received his rations irrespective of his services. He was given his job without respect to his own wishes or capabilities. He was not allowed to do anything else, and he did in consequence as little as he could. Labour was a matter partly of conscience, partly of coercion. Now it is again as elsewhere a commodity of which the value is ruled by supply and demand and regulated by social legislation.

Free Contract.—The first modification was transforming the conscription of the peasants' labour into a corvée; and this tax in labour became within a year a tax in money. At the same time the restoration of private employers and the reorganisation of State enterprises on a business basis made compulsory labour impossible and free agreement inevitable. A decree of November 3rd, 1921, therefore, abolished extra compulsory labour in all State enterprises. But compulsion in principle was maintained largely from fear of a general flight from Government into private employment; and it was applied by the Commissariat of Labour so as to favour Government enterprises in their first competition with the private employer. The Trade Unions, however, were determined to secure complete freedom of contract and the Fifth Congress,

September, 1922, finally ratified it. The Labour Code of November, 1922, restricted compulsory labour to " occasions of general crisis "—thus preserving it in principle while abolishing it in practice.

Thereafter, employment has been based on free contract subject to regulations of the usual character and the collective or local agreement, if any. This " voluntary engagement " (v. par. 9 of Code) is to be effected through Employment Exchanges. But so many exceptions are scheduled, that there is practically nothing to prevent a direct engagement; which must, however, be registered. The employer has, subject to the agreement, the right of discharge in the event of :—

(a) Complete or partial closing down

(b) Completion of the work or of the period of engagement;

(c) Absence from work or obvious incapacity. But at least a fortnight's notice of discharge is required, and the employee may appeal to the local Department of Labour.

Restoration of Wages

The demobilisation of War Communism under the New Economic Policy brought a gradual return to money wages. The restoration of an economic system based on money and free trade in food, made wage-rations no longer necessary. But as the industries could not support their employees, a whole series of systems for subsidising their wage funds were tried in rapid succession. These systems, costly as they were in a time of depreciating currency, served to tide over the difficult transition of demobilising the worker and making him again dependent on what he himself earned.

The Fourth All-Russian Congress of Trade Unions in May, 1921, recommended that wages should again be based on collective agreements.

Collective Agreements

The conclusion of collective agreements began in about April, 1922, and grew so rapidly that the State had difficulty in fitting them into its socialist system. It was, however, decided by the Fifth Congress of Trade Unions against the opinion of the Supreme Economic Council of People's Commissaries that these agreements should not be compulsory, as that would amount to a return to State regulation of wages. Thus the attempt of the Voronej Trade Union organisations to force an agreement on private enterprises was stopped by Moscow. Agreements are defined as " free agreements between Trade Unions and employers for defining the contents of subsequent individual contracts of engagement."

A model agreement of 49 clauses has been drawn up by the All-Russian Council of Trade Unions and this, combined with the Labour Code, and other legislation, has reduced agreements in size from the 200 to 300 clauses they ran to at first. It has also reduced the number of disputes. The agreement

can be general or local. The central authorities favoured general agreements because they meant higher wages. After a controversy, it was resolved that general agreements before conclusion should be submitted to local criticism, and should in no case exclude local agreement. Only the Trade Union has power to conclude them on behalf of the workers, and the Joint Conciliation Committees have now no such power. There have been complaints that agreements are too often made without any reference to the workers. They are applicable to all employés, whether unionists or not; which is opposed in principle to French and German legislation, and not always observed in Russian practice. Thus of 300 collective agreements in the Ukraine only 161 were so applicable—and 59 were specifically restricted to unionists. Other agreements which provided priority of employment for unionists, or their substitution for non-unionists, or attributed administrative functions to the Joint Conciliation Committee have been disallowed by the All-Russian Council of Trade Unions as an interference with the management not in the general interests of the workers or the industry. The Council have also stopped attempts of the local authorities, as in Yaroslav and Nijny-Novgorod, to assert their right to ratify and revise agreements.

The Trade Unions have worked hard for the conclusion of collective agreements and on an average, about 82 per cent. of union members now work under such agreements—in the case of transport workers, as many as 98 per cent. Even farm workers are now being brought under them. Agreements must be registered with the Commissariat of Labour, which can refuse to register provisions contrary to the Labour Code and other legislation; though it is still in dispute whether unregistered provisions can be enforced. The duration of an agreement is fixed by the Commissariat of Labour and the All-Russian Council of Trade Unions.

Breach of Agreements

Under the Labour Code, the Trade Unions are not pecuniarily responsible for breaches of agreement. But under regulations of the Commissariat of Labour, employing enterprises are so liable; and it is to be noted that the economic basis of these agreements is somewhat different from that of similar agreements elsewhere. In capitalist countries they are the result of a conflict between the economic power at the moment of Capital on one side and Labour on the other. In Russia they are an agreement between the Trade Union and the State as to how much of the profits can be distributed as a dividend to the worker owner and how much must go to reserve and re-equipment, etc.

Disputes

Under " War Communism " and Labour Conscription, there could be no disputes either as to the rates of wages or conditions of work. The Trade Unions' functions in this respect became, theoretically, merely disciplinary;

though their informal conciliation committees did as a matter of fact, settle disputes by negotiation. But as everything came to be done under agreements, something had to be done about disagreements. The Trade Union could no longer be both party and judge. So in January, 1922, Conciliation Committees representing equally employers and employed were set up to deal only with disputes within the factory. This was followed in July by Conciliation Chambers and Arbitration Courts. There has been and still is much conflict and confusion between the powers of these Courts and those of the Conciliation Committees of the Trade Union and their superior organs the Committees of the Commissariat of Labour. The Trade Unions fought hard for their right to settle disputes in defiance of resolutions of the Fifth Trade Union Congress (September, 1922), and the Labour Code (November, 1922). But the Government none the less finally abolished the disputes committees of the Commissariat of Labour and set up Labour Courts for disputes on individual agreements. Nevertheless the unions still encroach on the Courts. The report to the Sixth Congress plaintively reproaches the unions—especially the tanners and chemists for such proceedings. Indeed, even apart from such encroachments the work of the unions in settling disputes by negotiation seems to be increasing. Thus 75 per cent. of the industrial disputes in 1923 were settled amicably by the unions ; the remainder going to the Courts or Conciliation Chambers.

The new Labour Code divides disputes into legal and industrial—that is, into individual disputes arising from contracts and general disputes arising from collective agreements. Individual disputes in private enterprises go before the Labour Courts. In these disputes during 1923, central awards were given against only 15 per cent. of the 1,500,000 workers involved ; in the case of 70 per cent. they were compromises, and in 15 per cent. they were in the workers' favour. Local awards decided against 15 per cent. of the workers involved, compromised for 40 per cent. and favoured wholly 45 per cent. Disputes diminished in 1923 and again in 1924. Disputes were caused in proportion of 56.2 per cent. by differences in negotiations or revision of collective agreements. Interpretation and application of the agreements caused 16.6 per cent. While 25.2 per cent., involving only 4.9 per cent. of the workers, were caused by differences outside the agreements. Three-quarters of those disputes were concerned with rates of wages and regulation of payment.

Strikes

The right to strike under an industrial system based on private capital is a constant protection against the exploitation of the worker by the wealthy. The right to strike is maintained in Russia. But since all industry is either conducted or closely controlled by the community the strike has changed its function. The worker enjoys all profits from the industry after proper provision for re-equipment, reserves, etc. He no longer strikes to protect himself or the community from exploitation by private interests, but only as a protest

against administrative mismanagement or mal-practice, such as delay in wage payments, etc.

(a) **In State Enterprises.**—The official and Trade Union attitude to strikes is that under a Soviet system strikes should not be a normal procedure in State enterprises. They should only be sanctioned in clear cases of abuse of authority and should aim at its correction. Consequently there were during 1923 only 11 strikes involving 1,026 workers in Government enterprises—and these small ones. Strikes diminished in 1923, as compared with 1922, by 12 per cent. in number, by 14 per cent. in workers involved and by 30 per cent. in average duration. These strikes were mainly due to delays in wage payments. Strikes seem with growing frequency to break out against the policy of the unions.

(b) **In Private Factories.**—The policy with regard to strikes in private establishments, as laid down by the Fifth Congress of Trade Unions, was that they were not to be too constantly resorted to, and the unions seem on the whole to have been moderate. When there has been a strike it has generally been on a dispute arising about an arbitral award. Such strikes in private enterprises increased in 1923 to 135 involving 5,200 workers, from 99 involving 4,800 in 1922. Their duration also increased by 40 per cent. They were in proportion of 64 per cent. not about wages but about conditions of work, and they were settled in proportion of 76 per cent. wholly and of 11 per cent. partly in favour of the workers.

(c) **Labour Exchanges.**—The return to free contract made it necessary to convert the Sections for Distribution of Labour into Employment Exchanges of the usual type. And in 1922 the unions got the management of the Exchanges reorganised as Joint Committees representing the Commissariat of Labour, the Trade Unions, and the economic authorities. The Chairman of the Joint Committee is appointed by the local Labour Department, and there are three members representing respectively the Provincial Economic Council, Agricultural Department, and Transport Department, and three nominees of the Provincial Inter-Trade Union Council. The decisions of the Committee can be repealed by the local Labour Department subject to appeal to Moscow. When unemployment in any industry reaches a certain figure, special technical sections are set up by the unions for dealing with it. These technical sections working with their union often succeed in ousting the Employment Exchange.

Unemployed over 16 years, whether with other means of support or no, must be registered ; those seeking a change of employment may be. Skilled workers must give proof of their capacity. An employé seeking work is consulted when assigned to a job, and only at times of acute unemployment is he given other work than his own. He must report for registration monthly, and failure to do so entails removal from the register, with loss of relief or relegation to the bottom of the list. Theoretically, all engagements were to be made through the Exchange, but from the beginning the right of the employer to reject the worker offered him was recognised.

The Exchanges proved, however, to be incapable of dealing with the rapid increase of unemployment that followed the demobilisation of labour. By 1922 unemployment was serious, and its average duration two to four months. By 1923 this had extended to eight months. The registers were as much as half-filled with applicants for work in which they were not qualified; who had registered for the sake of getting the benefits belonging to workers. The real workers failed to get placed. The practice then grew up of direct engagement subject to a formal ratification by the Exchange, which gave rise to many abuses. Illegal exchanges also sprang up. By the spring of 1923, there was a strong movement for making engagements through the Exchange voluntary; and by the regulations of August 13th, 1923, direct engagement is recognised and need only be registered. Meantime, the work of the Exchanges is still disorganised by the difficulty of reconciling the right, in principle, of the employed to work with the right, in practice, of the employer to refuse it.

Unemployment

Unemployment began in the autumn of 1922, with the demobilisation of the overgrown officialdom of War Communism, and grew with the dismissal from the industrial pay-roll of a whole population of what were practically State pensioners. To these have been added the victims of the "axe" in educational and other economies; these representing in 1922 nearly 70 per cent. of the total. As these unemployed were for the most part non-proletarian, their plight did not at first cause undue disquiet; and as elsewhere, these unfortunates seem by now to have been somehow absorbed. But their numbers went to swell the registers of the Employment Exchanges, from which in the course of the following year repeated efforts were made to get rid of them as unemployables. Some success in this probably partly accounts for the recent decrease in figures of unemployment of brain workers. The increase in unemployment of unskilled workers can partly be accounted for by their return to the towns now that War Communism and food scarcity are safely over. Even so, only 5.4 per cent. of the workers in industrial employ before the war have been re-employed as yet; the remainder being unemployed or having returned to the land.

The total unemployment figures for 84 towns and 219 counties was on December 1st, 1923, 1,042,000, and on April 1st, 1924, 1,369,000.

The percentage of Trade Unionists unemployed rose form 8.6 per cent. on October 1st, 1923, to 11.7 per cent. on January 1st, 1924—a seasonal increase. It was as high as 24 per cent. among teachers. This is partly accounted for by the middle class, especially women, having flooded the teaching profession, to obtain rations under War Communism, partly by economies in education. The proportion of Trade Unionists is 41 per cent.; which is also the proportion of the total taken by the unemployed of Moscow and Leningrad.

The percentage of total unemployment taken by women is very high—no less than 40 per cent. The percentage of women employed to the total employment has fallen from over half in 1922 to nearly a quarter in 1924. In view of this being in effect a refusal of the equal right to work of women, and in view of its results in increasing prostitution, special steps are being taken to restore women to employment.

Unemployment Remedies

The way of dealing with the evils of unemployment is very like our own. The same sort of programme of public works (including general electrification) hampered in the same way by the necessity of economy. The 1924 appropriation amounted to 1,700,000 roubles and 1,500,000 worker-days employment were given.

Public works for relief of unemployment were put in hand, but these enterprises were on no very large scale, and had no very great effect. About 5 per cent. to 7 per cent. of the unemployed were thus relieved.

As to the Government's attitude towards the problem, an interesting light is thrown by the last report to the Congress of Trade Unions (page 255): "In the conditions of economic organisation established here and in view of the concentration of the fundamental industries in the hands of the Government, public works are not a sound system for dealing with unemployment. Efforts should rather be directed to the extension of industry."

Unemployment caused an outcrop of small informal Co-operative Craft Societies (artel). Many of these enterprises, such as the very common one of a bakers' artel, were broken up by the Trade Unions. Others again, such as those of tailors and tanners, made good. Of the 73 tailor artels started, most were successful, and some have been taken in to the national industrial organisations. On the whole, however, such artels, when managed solely by the unemployed, failed; and only succeeded when advised and assisted by the Labour Exchanges and the unions. About 5 per cent. of the unemployed have found relief in this manner.

Owing to the financial failure of the contributory system of social insurance, it has been very difficult to keep the unemployed in benefit, and only 15 per cent. to 20 per cent. are in regular receipt of this relief.

Unemployment has caused some official inclination towards restricting overtime, but this has found no encouragement from the unions, and overtime is anyhow on the decrease. The average day worked in factories divides out at seven to nine hours, but this does not take into account the six to seven hours to which dangerous trades are restricted, the five hours of those receiving special education, the time off allowed for public duties, the four to six hours of young persons, and the seven hours night shift. The average overtime per month of a worker (other than transport and Don coal) fell from 29.6 hours in 1922 to 25.1 in 1923, and for railway workers from 52 to 22.

READING-ROOM IN WORKERS' "REST HOME"

That the causes of unemployment in Russia are of a different character from those creating it elsewhere is evident from the fact that the increase of unemployment has been accompanied by an increase of employment. If the total of unemployment is equivalent to a fifth of the industrial population, the total of employed workers increased by a fifth between August 1st, 1923, and August 1st, 1924. That is to say, the development of industry would have provided employment already for all were it not that a large proportion of the unemployed are unemployable under present conditions and that the improvement in wages and welfare of the town workers has drawn labour from the countryside.

Insurance

One of the first acts of the Revolution was an act for industrial insurance at the cost of the employers, but this was, of course, put an end to by War Communism ; for under War Communism workers drew full wages whether the factory worked or not. The whole system was, indeed, based on the State supporting the population, and getting such service as it could in return. Expenditure in public relief and social insurance on a scale such as this soon reached an extravagance that was ruining the State, while the individual was not receiving as much as under the old system. " A noble inspiration, but quite hopeless," is the epitaph pronounced on this policy by a publication of the Commissariat of Social Welfare (Miliutine, 1921).

The New Economic Policy restored social insurance on the usual lines arranged to suit the new needs of time and place. The system at present is :—

(a) Voluntary rural relief committees, with power to raise a rate. (The State does not contribute, though it to some extent controls.)

(b) Compulsory contributory social insurance for all wage-earners.

(c) State relief for the remainder, together with pensions.

Social Insurance

The system of social insurance will be found in the Labour Code. It covers the usual benefits, including grants, on birth and death, and for " notable service in the Revolution." (For details see visit to Moscow Insurance Department.)

The minimum unemployment benefit is one-sixth of the average wage, the normal being one-third, and its maximum period must not be less than six months. Unemployment relief includes the free use of public services, lighting, heating, water, meals at half cost, one month's rent, and no taxes.

It was intended that the scheme should be financed by contributions from enterprises and employers on scales officially assessed, but these contributions were soon, and still are, hopelessly in arrears. In 1922 only about one-third was paid, and this involved a corresponding reduction of

benefits. In 1922 the rate of contributions was reduced from 16 per cent. to 14 per cent. of the sum total of wages, and in 1924 80 per cent. of the contributions on this reduced scale were coming in. The benefits were then improved, in some cases up to par. But even now insurance contributions are still on the whole heavily in arrears, the private enterprises paying best, the Co-operative and leased businesses next, and the State undertakings least; the latter owing in December, 1924, as much as over two millions. So the sick benefit fund and the medical benefit fund have been in difficulties and borrowing from the other funds, and on an average unemployment benefit is still only 60 per cent. of the minimum budget, which is itself 50 per cent. below average real wages. Sick benefit has lately been raised to 100 per cent. of wages, but chronic invalids only get half-benefits. Malingering is much complained of. The total number of insured workers was in 1923 5,250,000, and in 1924 over 5,500,000, organised under 870 funds. Fund Committees are elected by conferences of factory delegates.

The Central Insurance Department controls 6,200 beds and numerous sanatoria, which in 1923 took in 30,000 cases. One of the best features of social welfare in Russia is that of the rest houses, or hotels for workers' holidays. Over 85,000 were so accommodated by the Central Committee in 1923, and the provincial committees have their own as well. Collective agreements now in many cases require the employer, as in Germany, to provide such holiday homes. The Trade Unions have their own unemployment insurance, with very varying rates and regulations.

Labour Inspection

The most unusual feature in Russian labour inspection is the staff of inspectors appointed by the Inter-Trade Union Councils, who work in connection with the Communist " nuclei " for the education of the worker. Besides these elected inspectors, there are technical inspectors and sanitary inspectors, appointed as elsewhere, by the Administration. It seems likely that the " elected " inspectors will in time be replaced by officials, as has already been the case with the inspectors for the protection of children at first organised by the Young Communists. But as yet the more important work is done by the Trade Union inspectors.

The number of elected inspectors was so high at one time as to suggest that their functions were political as well as industrial. This impression is strengthened by the large proportion of Communists and of workers, the former as high as 77.8 per cent. in 1919, and the latter 75 per cent. But during 1922 the number has been reduced from 1,150 to 808, and higher qualifications required; while the proportion of Communists fell to 63.3 per cent. and non-partisans rose from 11 per cent. to 34.8 per cent. Of the technical inspectors 70 per cent. have a higher technical education and considerable experience.

The results of this inspection were 6.3 prosecutions per 100 inspections in the last quarter of 1923 in Government factories, 6.5 in Co-operatives, and 42.3 in private. These figures suggest that inspection has concerned itself so far more particularly with private enterprises. During the same period they investigated 171,095 offences as to overtime and 3,018 as to under age. The demands of the technical inspector as to improvements and so forth were carried out in proportion of 67 per cent. But their reports show that on the technical side the equipment for safeguarding machinery leaves much to be desired. From a sanitary point of view, energetic education of the workers has produced a remarkable improvement.

General Conclusion

The Delegation find that labour regulation in the U.S.S.R. is a practical compromise presenting features that are interesting and instructive. Evils, such as unemployment, strikes, etc., though they exist in Russia, are not there, as elsewhere, essential to the system of employment.

CHAPTER III

WAGES

Wages Under War Communism

As the nationalisation of industry developed, wages came to be regulated by decree at first through the Commissariat of Labour, then under decree of June 8th, 1920, through the All-Russian Central Council of Trade Unions. At this period the height of Communism, the Trade Union organisation was an Executive Department of the Government. The wage scales were fixed without regard to the value of the labour, and were paid up to 80 per cent. in kind. The money was paid by the industry; food, clothing, and so forth by the government department; housing, fuel, and so forth by the municipal department; and as these could only pay when they had supplies the real rate of wages was never realised. The food ration was regulated for heavy workers, light workers, and non-workers in the proportion of 4 : 3 : 2, though the latter for the most part got nothing. There were also attempts to reward extra exertion with extra rations; but these were discouraged. And supplies being deficient, these wages, or rather rations, were always irregular and generally inadequate. Therefore, like soldiers whose rations are insufficient, the Russian industrial workers deserted and fled from the towns to the villages where food could be got. This again led to conscription of labour in 1920 under rigorous conditions. Its results were entirely unsatisfactory, and it was finally repealed by decree of the Central Executive Committee of March 3rd, 1922.

The Fifth Congress of Trade Unions in September, 1922, recommended that wages be paid in money. This change was forced not only by material but by moral conditions. The Communists could enforce a very high level of discipline and devotion in their own ranks, but they could not bring conscripted labour into line as a body. They could not even stop the non-party and un-political workers from putting money in their pockets by filching immense quantities of goods and by falsifying their ration cards. For example, by 1921, though the urban population only amounted to 12,000,000, 22,000,000 were drawing rations.

But with the New Economic Policy wages, which had become little more than the pay of a rationed labour army, became again the subject of free contract, of Trade Union negotiation, and of Governmental regulation. And

with currency stabilisation, wages in kind, already steadily in decline, began definitely to disappear. In so far as they still exist, their value is deducted from the money rate at current open-market prices.

The optimistic theory of War Communism that a worker would for an equal living wage give his full energy, experience and efficiency to the public good, was not justified by the experience of the years, 1918-1921. It has now given place to the plan of paying a living wage and getting the best possible production by further rewards, such as piecework payment, special rates for specialists and prospects of promotion. This plan is applied even by the Communist International to those employés who, not being members of the Party, cannot be relied on to do their best without pecuniary recognition. It is now proposed to extend the system to employés in State trading and Co-operative concerns so that by paying them a percentage on their sales, their efficiency may be raised to that of the salesmen in private trade. At present in retail trade, the private tradesman, the State and the Co-operative salesman are estimated to compare in efficiency as 118 : 92 : 89.

Wages During the Change to Money Payments. — During the time when the currency was daily falling in value, food rations held a large place in wages and money wages were reckoned in " goods " roubles on a system much like that which developed under similar conditions in Germany. At first certain industries calculated wages in terms of the rising cost of their own product ; for example, in terms of a " flour rouble," a " leather rouble," etc. But this caused almost as great inequalities and inequities as the previous War Communist practice of allowing payments to workers in the goods they produced. These methods of payment were accordingly converted into general payment in " goods roubles." A minimum budget, representing the daily needs of an average worker was drawn up ; the cost of this budget was determined, eventually, as often as four times a month ; and the value of the " real " or " goods " rouble was calculated accordingly. The result was a living wage, though a very low one. For the cost was often, as in the Don Basin, fixed much lower than it really was so as to help industry back towards a paying basis.

Money Payments.—In May, 1923, wage rates began to be fixed as a percentage of the total minimum budget. But as soon as there was a stable gold currency (Tchervonetz) this system too began to go ; and an order of the Supreme Economic Council, September 13th, 1923, brought in payment of government salaries in gold roubles. It was, however, thought that to pay all workers wages at once in gold roubles would unduly burden industry and unbalance the gold rouble. Such gold payment was, therefore, brought in gradually and first made applicable to transport workers, metal workers, chemical workers, the Don Basin and the Urals. With the exception of the Urals, there was, however, in the winter of 1923-24, a fall of the real value of the gold rouble to 80 per cent. on an average, explained elsewhere (See Currency) which called for additional bonuses. But with the spring, this last crisis, caused by the

collapse of the old paper rouble, was over, and it was decided to give up the complicated calculation in goods roubles and get on as quickly as possible with payments in gold roubles, which had by then gained general confidence. There were, however, great difficulties of detail in carrying this out. One was the want for a time of new currency of small denominations; which caused losses to the workers. This was first dealt with by temporary paper issues and then by the new metal silver and copper currency.

The want of working capital in industry still causes delays in payment, but these matter much less now that the currency is stabilised and arrears do not lose their value. They are, however, the main cause of discontent at present. Last autumn arrears were about ten milllon g r., but last winter they were reduced to about three million. The delays seem generally to be only a week or so, though there were cases in the Don Basin of September wages not paid until November. Complaints were also made to the last Congress that too large a proportion of the wages was paid in credits for goods in the Co-operatives.

Present and Pre-War Wages Compared. — It is almost impossible to compare wages under War Communism with pre-war wages or with wages at the present time. But since the return to money wages under free contract there has been a steady rise amounting from 150 per cent. to 200 per cent., and a steep rise between October, 1922, and September, 1923, amounting to as much as 70 per cent. The average wage in 1922 in the heavy industries was still in money little more than half the pre-war wage, though this was exceeded in some cases.

The general average of wages seems now to be approaching three-quarters of pre-war rates, being over half pre-war in the heavy and nearly full pre-war in the light industries. In May, 1924, the percentages were: all industries, 68.3 per cent.; food, 116.9 per cent.; paper, 103.5 per cent.; printing, 98 per cent.; leather, 96 per cent.; textile, 85 per cent.; chemical, 82 per cent.; mining, 52.1 per cent.; railways, 41 per cent.; metal workers, 31.9 per cent. In October, 1924, metal workers had been raised to 56 per cent., railway workers to 50 per cent., and textile, to 91 per cent. Wages in Moscow generally are 93 per cent. pre-war and in Leningrad 81.6 per cent. But figures can only be depended on in so far as they show a general movement. The A.R.C.T.U. now intends to raise wages in heavy industry and transport so as to reduce inequalities.

Inequalities of Wages.—This difference in the rate of wages between heavy and light industry is due to the much greater difficulty in restoring heavy industry to a business basis. It works exclusively to State order and was therefore more affected by the stress of the change to a business basis. On the other hand, the light industry producing largely goods of prime necessity could at once find its home market. While private businesses, picking out the most profitable enterprises without regard for the general public interest and with reduced overhead charges for national purposes, could pay the best wages

of all. Thus during the early period of the New Economic Policy, wages in private industry were 25 per cent. higher than in nationalised industry.

There are also still considerable differences in wages between localities and between industries. These differences have caused great dissatisfaction and cases arose, as in Yaroslav, where the Provincial Trade Union Council illegally suspended a collective agreement on that account. This difficulty was dealt with by the State giving more orders to heavy industry and more working capital, so enabling it to raise the lowest rates. The total of this assistance given in 1923, reached 700,000,000 gold roubles.

Wage Scales and Categories.—The next difficulty which became serious in the latter part of 1923, was the " Scissors " crisis (See Agriculture). In order to close the " Scissors," wages had to be kept as they were or even be lowered. For these and other reasons a regulation of wages was undertaken by the Government. The wage scales as fixed by the Trade Unions were revised so as to reduce them generally and raise the lowest rates. The new official scale is as follows :—

	Unskilled Labour.					Skilled labour.				
Categories	1	2	3	4	.....	5	6	7	8	9
Co-efficients.....	1.	1.2	1.5	1.8	.....	2.2	2.5	2.8	3.1	3.5

	EXPERTS.								
	Inferior.					Superior.			
Categories	10	11	12	13	.....	14	15	16	17
Co-efficients.....	4.2	4.6	5.	5.5	.....	6.2	6.7	7.2	8.0

The general application of this uniform scale is proceeding rapidly. In January, 1924, it was already applicable to 44 per cent. of the industrial workers, and 90 per cent. of the transport workers, or 75 per cent. of the whole.

Since the closing of the " Scissors," there has been a rise of wages as above described.

Wages and Benefits.—When to the rates of money wages are added the advantages represented by contribution from the industry for social insurance, worth from 15 per cent. to 20 per cent. of the wage ; for educational institutions, worth 5 per cent. ; for Factory Committees, worth 2 per cent. ; and for welfare work required by the Labour Code (holidays, working clothes, grants for technical classes, etc.), worth any money up to 25 per cent. ; and when to these are again added the advantages in respect of State and Municipal services, in the shape of relief from, or reduction of, rent and rates, and in the form of free tickets, etc., for excursions and entertainments—it seems safe to say that the present pay of the Russian worker is very much better than pre-war.

Productivity of Labour.—The productivity of Russian industry compares not unfavourably with that of Europe generally, where there has been a marked falling off in consequence of the war. Thus as the daily output of a coal miner in England was as low as 55 per cent. in 1921, and only 82 per cent. in 1922, in Russia the figure for a Don Basin coal miner was 77 per cent.

Wages have increased more rapidly than individual output. Between 1920 and 1924, wages increased five times but individual output only doubled. Between October, 1923, and March, 1924, wages increased 15 per cent., but the output only 8 per cent. Wages being now about 68 per cent. pre-war general productivity seems to be not more than about 60 per cent.

The improvement is due to a more intensive activity. In pre-war times the productivity of a British worker as compared with a Russian worker was as 1.55 : 1.16. The average working day was ten hours, but working days in the year were no more than 252. In 1921, with an eight-hour day, they were 214 ; in 1922, 254 ; in 1923, 263, or 88 per cent. of the calendar working days. Allowing for the liberal leave now given by law, and the usual average for sickness, this is fairly satisfactory.

The whole power of Government propaganda—and only those who have visited Russia can realise what that means—is now, and for some time has been, turned on to stimulate the worker to increase his production. A Central Institute of Work educates experts in the Taylor system and other scientific schemes for improving the human mechanism in combination with the German science of bio-mechanism. It has now a central staff of 150 instructors all over the country, and organises an annual conference on its subject. It hopes to float a commercial company for the business promotion of its ideas and inventions. This does not arouse the opposition that it would where industry is still under private capital, as the workers realise that any resulting profits from increased production will come back into their pockets, and that their productivity will not be increased at the expense of their conditions of life.

The consequent improvement reported of late in industrial output has not been put in statistical form, but partial results seem so far satisfactory. For example, at the Krasny Putilovetz Factory and Diesel Factory, individual output now exceeds pre-war, while unofficial figures return the monetary value of one worker's output in 1922-3 at 1,078 roubles and in 1923-4 at 1,227 roubles, or 14 per cent. more.

General Conclusion

The general conclusion is that, just as cheap labour does not mean cheap production, so Russia is not losing on the whole by giving the workers such real wages in respect of housing, education, and supplementary advantages mentioned in previous chapters, as, in the opinion of the Delegation, are in many respects better than those obtained by labour elsewhere in Europe. The mining industries, however, are not yet reorganised up to the general standard.

GARDEN CITY OF WORKERS' HOUSES

CHAPTER IV

CO-OPERATION

It is hard to do justice in this report to the importance of Co-operation in Russia. But this perhaps matters less, as it is that part of the new regime as to which most is known in England, and as to which less lies are now being told than any other.

Pre-war Co-operatives

Co-operation in Russia before the war, benefited mainly better class workers and peasants. In 1914 there were 10,785 co-operative societies with a membership of 1,400,000, and a turnover of 250,000,000 roubles, of these over 8,000 were credit and consumers' co-operatives. The societies were non-political, but Liberal or Right Socialist in sympathy. The war with its economic pressure doubled the number of societies, raised their membership to 9,000,000 and their turnover to seven milliards.

Co-operatives and Class War

When the first Revolution broke out, the co-operatives and the Trade Unions were divided as to the class war. The majority, including the societies with mixed productive and distributive functions, and the agricultural co-operatives were against class war. A small minority, representing some of the consumers' co-operatives of the town workers, favoured it. In September, 1917, a Special Congress of Co-operatives was called at Petrograd with a view to strengthening the Government against the Bolshevists, and passed resolutions against class war. Even a Congress of Workmen's Co-operatives called in August was captured by the Menshevists.

Co-operatives under War Communism

When the second Revolution brought the policy of class war to power the co-operatives refused to accept defeat, and the more middle-class societies became centres of counter-revolution. The Communists had, therefore, a good political reason for either converting or coercing Co-operation. But they had an even better practical reason. For, unless they could ration the town population and the Red Army efficiently and economically, they could not survive; and without the help of the

co-operatives they could scarcely do this. Their attempt to set up Communist centres of distribution in competition with the co-operatives was a failure. In Russia, as in our own war experience, the organisation of distribution proved a more difficult business than the organisation of production or of war administration. Moreover, we were able to use the wholesale provision merchant and the local grocer for our purpose. But the Communists were abolishing private property as fast as they could, and the more extreme wished to abolish not only the profiteering middleman and provision merchant, but even the Socialist co-operatives. It was, however, impossible, even for them, to preach a holy war against the principle of Co-operation as they were doing against that of private capitalism Co-operation had a better and far longer record of social service than had Communism itself. It could not be abolished by decree, and could only be absorbed by degrees. And the question as to how this should be done divided the War Communists between those who wished to keep the voluntary co-operative associations and those who wished to substitute for them new obligatory communal organisations.

Already in a decree of April, 1918, an attack was made on the character and constitution of the co-operatives by decreeing that they must supply non-members in the towns. And in the following August a decree prescribed that the peasants, who unless provided with manufactures refused to sell food, must also be supplied by the co-operatives. This immense task was attempted by the co-operatives, but not to the satisfaction of the Communists, who complained that the societies only supplied the rich farmers, who could give food in exchange, and would not give it to the starving labourers. This curious and characteristic criticism is very illustrative both of the strength and weakness of War Communism. The decree of 2nd November, 1918, went a long step further in requiring that everyone must be a member either of a consumers' commune or of a co-operative. As the former scarcely existed this practically forced everyone into a co-operative.

Co-operation Communalised

Meantime the persistence of certain co-operatives in counter-revolutionary intrigue, and the progress of the country towards Communism, enabled the Government to prepare its final stroke. The co-operative societies were persistently educated by Communist agitators. By December, 1918, a Communist majority was secured on the Congress and Council of the Workers' Co-operatives; and the Supreme Economic Council by decree of the 30th November, restricted voting in co-operative affairs to the workers, thus disfranchising the greater number of its middle-class opponents. Thereupon followed the main decree of the 20th March, 1919, which professed " to preserve, develop, and complete the co-operative organisation " as being " the only available apparatus proved by years of

experience." But, as a matter of fact, the decree radically changed the whole principle and the purpose of the co-operatives by converting the societies into " Consumers' Communes." These Consumers' Communes were Governmental organisations for supplying, not subscribers or shareholders, but the public. Co-operation was originally the voluntary association of consumers and producers for their mutual benefit and profit. The principle of the decree was a distribution of the whole country into either municipal or rural communes, in which all the inhabitants were compulsorily enrolled in their capacity as consumers. The original co-operative employés and management were taken on as Government officials and continued managing the societies' business is so far as it could be adapted to the new conditions. In thus making Co-operation act as a Commissariat of Rationing, the Communists were also much influenced by fear of the use that was made of certain of the co-operatives by foreign interventionists during the critical years of the Civil Wars 1919-20-21.

Co-operatives and Intervention

The Entente policy of trying to make use of the co-operatives for restoring trade relations with Russia looked well enough. It appeared to be no more than an attempt to restore commerce with Russia without the disagreeable diplomatic preliminary of a de facto recognition of the Russian Government; but transactions with real Russian co-operatives could only have been realised through and by the Russian Commissariats. Any other procedure looked like an attempt to transfer the economic control of external commerce, and eventually of internal consumption, from the Government authority to organisations many of which had been and still were in opposition to it. For in those regions occupied by reactionary armies the co-operatives had served as intermediaries for supplying those armies.

But there is no good in going into the dark and long-dead intrigues by which in the end British cargoes and British capital found its way into the pockets of reactionary generals. It is, however, satisfactory to record that last year the Russian co-operatives, although they had never received these consignments, which had indeed been used by their enemies then invading them with British Governmental support, nevertheless honoured the debt to their British colleagues and repaid a sum of £60,000. When intervention and Civil War stopped the co-operatives could be restored their full liberty, which began the moment the danger was over, and even before the New Economic Policy was introduced.

Co-operation Restored

Already by a decree of the 7th September, 1921, the co-operatives were allowed to resume their productive activities without restriction. By other decrees of the 26th October and 27th November they were restored their

nationalised factories and properties, and were given the right to extend their enterprises without special permission. This privileged position they have thereafter retained.

Under the New Economic Policy the co-operatives rapidly recovered not only their old self-governing and voluntary character, but also they have resumed on business lines a good deal of the work that War Communism had wanted them to do on bureaucratic lines. Thus they are now a half-way house between State and private enterprise, both in production and distribution and both in foreign and internal trade. In developing retail trade in the countryside they have a business advantage over State enterprise, and they are relieved of the legal disadvantages that handicap private enterprise. They are, as has been stated, admitted to foreign commerce, and they trade wholesale in competition with the State trusts and syndicates; while they also produce, though on no very large scale. But their future function in the Soviet system is to organise retail trade, both distribution and consumption. Private enterprise is tolerated largely because of its keeping the co-operatives up to the mark and on the move.

Co-operatives in Foreign Trade

The co-operative societies generally export and import under permission of the Commissariat for Foreign Trade. But two categories are exempt from this rule: The Centrosoyouz and other co-operative societies, such as Selskosoyouz (Decrees of 1921 and 1923), Ukrainian Co-operative Society (Decree of February 15th, 1924), and the All-Ukrainian Co-operative Wholesale Society, "Vukospilka" (Decree of March 5th, 1924). These may transact export-import operations with foreign co-operatives and with private firms and concerns. They have representatives abroad for the transaction of foreign trade. The second class of co-operatives, such as Vsekompromsoyouz, Vsekoles, have representatives in the trade delegations for their export and import operations, and enjoy the same rights of representation on the trade delegation as the State institutions. They also trade through Centrosoyouz.

Growth of Co-operatives

Since the New Economic Policy the growth of the Co-operative Movement has been steady and as follows, from figures taken from fiscal returns:—

NUMBER AND NATURE OF CO-OPERATIVES.

	1922.		1923.			1924.	
			Number.	Per cent. of 1922.		Number.	Per cent. of 1922.
Trading Co-operatives ...	13,402	.....	17,121	128	.....	25,012	185
Industrial Co-operatives.	1,799	.....	2,337	130	.....	5,587	311
Total.....	15,201	.....	19,458	128	.....	30,599	201
Other	—	.....	1,646	173	.....	1,909	201
Total.....	15,201	.....	21,104	139	.....	32,508	211

Membership of Co-operatives

The total membership of the co-operatives is growing rapidly. The membership in April, 1924, was as follows:—

Workers' Urban Co-operatives	2,297,000
Peasant Co-operatives	2,599,200
Transport Co-operatives	1,000,000
Military Co-operatives	369,200
Total in U.S.S.R.	6,265,400

The total membership has risen during 1924 to over 8,000,000. The membership of workers' urban co-operatives has risen in the course of 1924 to 2,863,000—that is, from 50.8 per cent. of the total Trade Union membership to 62 per cent., an increase of 12.3 per cent. This percentage varies greatly according to place. In country towns it goes as high as 99.7 per cent. In Leningrad it is only 59 per cent. and in Moscow 50 per cent. For which the reason is obvious in the greater competition of private traders in the towns.

The system of collection by books and stamps is much as elsewhere. At the beginning of the year the average share subscription was 1 rouble 90 kopecks, and at the end 2 roubles 66 kopecks. The average in the textiles was 1.94 roubles; metal workers, 2.74; miners, 2.71. Arrangements have been made with Aznepht and other enterprises to advance 5 roubles on the workers' pay so as to give their co-operatives a working capital; and efforts are being made to raise the share subscription to 5 roubles generally.

Co-operative Finance

Finance appears to be the weakest side of Russian Co-operation—partly owing to such activities as lowering prices during the " scissors " crisis partly owing to new extensions as yet unremunerative. On the other hand, this has been compensated to them by large credits from the Budget—over 20 million roubles in 1923-24. No provision for them is made, however, in 1924-25, but the 40 million roubles allowed for famine relief will probably be largely administered through the co-operatives. The proportion of the capital of the co-operatives owned and borrowed is as 1: 2½; and the present profits are not such as to promise any alteration in this proportion as much business has to be done at a loss. But capital increased from 142 million roubles to 170 million roubles in the first six months of 1924 and the total turnover from 400million to 1,100 million.

The method of distributing credits to societies has been much criticised; and there is said to be much overlapping. But a great effort is being made to bring down overhead expenses by reforms in the working of staffs. Thus Centrosoyouz central staff was reduced from 3,046 on October 1st, 1923, to 2,731 on January 1st, 1924, and to 2,459 on April 1st, 1924, and the turnover per employé has increased from 4.19 roubles in January to 7.9 roubles

in March. Overhead expenses are now said to be not much higher than in Europe. Which economics have much helped in liquidating the very heavy liabilities that caused a financial crisis in 1923, during which many small societies succumbed.

The Centrosoyouz

About six months ago, following the decrees of December 30th, 1923, on the reorganisation of the consumers' co-operatives on the basis of voluntary membership, the Centrosoyouz simplified its provincial organisation. Only central, territorial State, and district co-operative unions, as well as large workers' co-operatives are now eligible for membership.

Under its new constitution, the Centrosoyouz is to be an organising and representative centre for the whole of the consumers' co-operatives of the U.S.S.R., and a trading centre and commission agent for the distribution and sale of the most important staples of internal and foreign trade. The share capital is to be made up as follows: District co-operative unions subscribe for Centrosoyouz shares 10 kop. per member; local co-operatives with a membership above 5,000 subscribe to the Centrosoyouz directly 20 kopecks per member; and if there are no district consumers' societies the subscription is to be 50 kopecks per member. It is proposed to raise the price of a share to five roubles in 1924. The Centrosoyouz has begun to liquidate its industrial enterprises so as to concentrate on its distributive and trading business.

For the present the Centrosoyouz will maintain its industrial activities in flour mills, oil refineries, starch and molasses, confectionery and candy, low-grade tobacco, leather, footwear, and soap. Altogether it will operate 14 factories and mills, of which eleven are its own and three have been rented. The yearly production of these enterprises is worth about 31 million roubles, and they employ about 37,000 persons.

Selskosoyouz (agricultural co-operation) has similarly prospered. By the beginning of 1924 Selskosoyouz included over 22,000 agricultural co-operative societies, with a voluntary membership of at least one and a-half million peasant households. By May 1st the number of societies had grown by 14 per cent., and the number of households increased to over two million.

The foreign trading of Centrosoyouz is of considerable importance, being 60 per cent. more in 1924 than in 1923. It was through it that agricultural machinery to the value of one million roubles has been purchased in America and is now arriving at Odessa, Novorosseisk, Vladivostock, and Murmansk, also 411 grain-cleaning machines of a value of 75,000dols. purchased in Austria. Projects of great importance to British manufactures are dependent on the political situation.

Co-operative Trading

Co-operative enterprises are 6 per cent. of the total enterprises of the country, and the character of their work and their place in the business life of the country is seen in the following analysis of their turnovers and the taxation they pay :—

CO-OPERATIVE TURNOVER (RETAIL) AND TAXATION.

	Amount. Million roubles.	Per cent. of total trade turnover.	Amount. Million roubles.	Per cent. of total taxation.
(*a*) Trading	207.0	10.8	1.871.2	9·4
(*b*) Industrial ...	29.8	5.1	318.8	4.3
(*c*) Other	50.1	—	414.8	—
	286.9	9.5	2.605.8	7.9

But there has been during 1924 a considerable increase, for which general statistics are hard to get. Thus the co-operative percentage of the total retail turnover in Moscow late last year had risen from one-tenth to nearly one-third. We also find that the total turnover increased in 1923-24 from 168.7 to 286.9 million roubles and the members of societies from 21,104 to 32,508, while the total trade increased from 434 million roubles in 1923 to 1,100 million roubles in 1924.

Co-operatives and Private Enterprise

In the chapters on Industry and Commerce are figures giving the proportion of State, co-operative, and private trading. This shows that the part played by the co-operatives is regularly and rapidly growing at the expense of private traders. For example, in cotton goods their percentage has grown from 17 per cent. to 56 per cent., that of private trade declining from 44 per cent. to 14 per cent. But it is to be observed that whereas private trade transactions are mostly in cash those of the co-operatives are on credit up to two months. As much as 50-60 per cent. of their purchases from the Textile Syndicate and 80-90 per cent. of those from the Leather Syndicate were on credit. This gives the co-operatives a great advantage in competition, but has got some of the local societies into difficulties, from which they are being slowly extricated, and in which they have required large support. The proportion of credit is being reduced, but the co-operatives are much hampered by want of capital and credit.

Whether Co-operation will succeed in crushing private enterprise depends on the progress it can make in giving buyers what they want, when and where they want it, and in the way they want it. In this Co-operation in Russia has as much to learn as elsewhere, as will be seen from a comparison of the efficiency of the State, co-operative, and private trader in the previous chapter (wages, paragraph 1) on Industry. But great efforts are being made and there are signs of practical progress.

The co-operatives' share of the sale of State manufacture was 30 per cent. in 1924 as against 15 per cent. in 1923. Private business still undersells the co-operatives occasionally, but, on the whole, cannot do so. In staples like bread the co-operative price is on an average one-fifth to one-quarter lower; in sugar, meal, kerosine, meat one-sixth lower. The difference between wholesale and retail prices, which in some co-operatives was as much as 40.5 per cent., is down to an average of 30-35 per cent.

Co-operatives in the Soviet Society

In the revolutionary trinity of Soviets, Trade Unions, and Co-operatives the latter have always been the last to get a move on in any new phase, just as they are in some respects the part of the Soviet system that will probably go furthest. They are at present an indispensable link between the town and country producer, and between the producer and the consumer; that is in both cases between those regions where State Socialism is strong and those where it is still weak. But this is not the final rôle of the co-operatives. They are expected in time to provide a general organisation and representation of the consumer that will correspond to and combine with the representative organisation of the producer in the Trade Unions and of the citizen in the Soviets. The State structure that in the first chapter was described as a pyramid with internal cross-ties will then be strengthened by a tripod skeleton of representation from the bottom to the top corresponding to the three main interests in each individual. He is already represented well enough through the Soviets in his political interests—that is as soon as the monopoly of the Communist Party is modified. He is well on the way to being represented in his occupational interests through a unified Trade Union organisation. There is finally a beginning of such a unified representation of him as a consumer through the Co-operatives. Though as the above shows it is as yet only a beginning.

But if progress continues on the present lines at the present pace we may live to see a threefold democracy develop in Russia, and new forms of democratic representation that will give a driving force and a direction to campaigns for constitutional reform in Parliamentary democracies.

FINAL CONCLUSION TO GENERAL AND LABOUR REPORTS

In view of the information contained in the preceding chapters—all of which has been obtained by themselves from sources and through channels that convince them as to its general accuracy—the Delegation has come to the following conclusions: That the U.S.S.R. is a strong and stable State: That its Government is based firstly on a system of State Socialism that has the active support of a large majority of the workers and the acceptance of an equally large majority of the peasants and, secondly, on a federal structure that gives very full cultural and very fair political liberties to racial and regional minorities, together with full religious toleration: That the machinery of government though fundamentally different from that of other States seems to work well, and that the government it gives is not only in every way better than anything that Russia has ever yet had, but that it has done and is doing work in which other older State systems have failed and are still failing: That these good results have reconciled all but a very small minority to renouncing rights of opposition that are essential to political liberty elsewhere: And that this causes no resistance partly because these rights have been replaced by others of greater value under the Soviet system, and partly because recent movements have been steadily towards their restoration: And finally that the whole constitutes a new departure of the greatest interest that is well worth foreign study and a new development that may be greatly benefited by foreign assistance.

HERBERT SMITH.
BEN TILLETT.
JOHN TURNER.
JOHN BROMLEY.
ALAN FINDLAY.
ALBERT PURCELL (Chairman).
FRED BRAMLEY (Secretary).

HAROLD GRENFELL.
A. R. McDONELL.
GEORGE YOUNG.

PART II

SPECIAL INSTITUTIONS AND INDUSTRIES

Delegates with particular qualifications to report on certain classes of industry were asked to draw up special reports on those undertakings visited. In view, however, of the limited space available, and in order to avoid repetition, only a representative selection of these reports have been incorporated in this section.

I

Visit to Leningrad Trade Union Centre

The Delegation visited the Palace of Labour, the headquarters of the Leningrad Trade Union Movement, and inspected various departments of this central organisation. The building is well appointed and in every way an elaborate example of Russian architecture and decoration, inside and out. It was formerly used as a resident college for the children of the Russian aristocracy, and passed into the hands of the Trade Union organisations during the Revolution. It is one of the principal buildings on a boulevard, formerly known as the Guards' Boulevard, now renamed the Trade Union Boulevard.

During our visit information was given us regarding industrial and economic conditions of Leningrad, and we subsequently obtained many statistical statements dealing with this information. It was stated during our visit that there were 15,000 unemployed in Leningrad, many of them very highly qualified workers, but mainly industrial. The population was stated to be approximately 1,500,000. The President of the Leningrad Trade Union Council stated that the rate of growth of the population, which fell during the Revolution, is this year six times greater than before the war.

We then went through a special department—the economic section—in which we were shown an elaborate exhibition of diagrams dealing with productive organisation, the numbers of workers employed in various industries, and the necessity for increasing the rate of output. We were very much interested also in an exhibition of food diets, set out on plates ready for table service, indicating the quantity and quality of food supplied to the workers after the Revolution as compared with the standard obtaining under the old system.

We went afterwards on a visit to the burial place of the martyrs of the Revolution, and in addition to the graves of several well-known revolutionaries we were informed that 400 victims of the Revolution were buried within the walls of this memorial ground, erected in the centre of what was at one time the parade ground of the Tsar's Guard. The stories related to us regarding executions, assassinations and the bloodshed associated with the revolutionary struggles of the workers against the Tsars were both thrilling and depressing.

After visiting the burial ground we walked on through the Winter Palace, the home of the Tsars, and after passing through the gorgeously furnished rooms, containing valuable works of art, we were escorted to the great reception hall, which is now used as an exhibition of Soviet flags, statues of revolutionary leaders, and documents associated with the revolution which led to the destruction of the old regime. We also went down into an extensive basement to view a great collection of revolutionary relics. This collection represented many years of revolutionary service, not merely on the part of the workers but on the part of politicians, statesmen, military generals, admirals of the navy, members of the aristocracy, and other prominent and well-known individuals associated with many years revolutionary effort in Russia. We were shown a model of the prison cells formerly used for revolutionary prisoners, the chains which were used to bind them to prison walls, and the instruments of torture used to beat the rebels of pre-revolutionary days into a state of submission.

From this exhibition we stepped into the square facing the Winter Palace, in which the slaughter of Bloody Sunday took place. (See frontispiece.)

II

Visit to the Leningrad Hospital

Members of the Delegation visited this hospital, formerly built for the service of the population of Leningrad, now controlled by the Soviet Medical Service. The hospital is one of the largest in Russia, containing 1,800 beds, 1,300 of which were occupied at the time of our visit. The crowded state of the hospital was explained to us as being due to other hospitals, too poor to be maintained, being closed and the patients housed in the larger hospital. This hospital is exceptionally well-equipped, is supplied with its own electric power station, lighting and cooking of all kinds being done by electricity. We saw, in full working order, oil-fed boilers, 17 supplied by the famous British firm of Babcock, Wilson, and Company, of London and Glasgow, and supplied during the years 1912-13. We also saw electric motors supplied from Sweden, ice-making machines, and other machinery installed during 1924.

In going through the elaborate kitchens attached to this hospital we noticed that all the food was cooked by electricity, hot-water was heated by electricity, potatoes peeled, bread cooked, meat minced, and nearly all the food prepared and cooked, including the elaborately constructed bakery, by electric power. Electric kneading machines were also provided, and a special tank was kept supplied well stocked with live fish, so that no danger should exist of the patients being injured by consuming fish not as fresh as is necessary for invalids.

All kinds of treatment for special diseases is provided for in this hospital and every effort is made to ensure rigid cleanliness in every department. The equipment and organisation of the laundry, again stocked with all kinds of machinery worked by electric power, was a very fine example of hospital organisation in Russia. The baths provided for the patients, the attendants, medical staff, and nurses were also up-to-date and very satisfactory. We were taken through the operating rooms by one of the best known surgeons in Russia, a member of the Royal College of Surgeons, and a man intensely interested in the organisation of the hospital and the adequate scientific treatment of the patients. The operating rooms, the dispensary, and the provisions that were made to deal with all kinds of diseases were most elaborate. We were taken into one room coloured and draped in black intended to assist the operators in clearness of vision when dealing with special cases of operation. The dressing rooms and operating rooms were also well appointed, and we left this hospital convinced that whatever medical science and organisation could accomplish for the hospital service of Leningrad was still maintained to the maximum by the Soviet and medical authorities of the city.

III

Visit to the Union of Administrative and Commercial Employees

A visit to the Russian Trade Union of Employés in Soviet and administrative institutions, generally, proved to be of great interest. On inquiry it was found that the post office employés were not included in this union, having a separate organisation of their own. Clerks in various industries, such as transport, engineering, etc., are also outside this union, being attached to the union of the industry itself.

The unit of the organisation is the shop, office, or store committee. These committees are formed wherever 50 or more are employed in the same establishment. Where less than 50 are employed, a shop delegate is appointed. Both the shop committee and shop delegate are responsible to the branch committee for the collection of contributions, and for reporting to the branch any complaint or non-fulfilment of agreements or

decrees. The shop committee may or may not be a member of the branch committee and the same is true of the shop delegate.

In small towns and villages a general committee is elected to keep in touch with the branch and is responsible for the collection and remission of contributions. Every county, or province as it is called in Russia, has a branch. These often cover a very large area and are much larger than the counties in Britain. All contributions from these large areas are remitted to the branch, which administers and keeps the records for all the district.

As already indicated, the branch takes all the contributions for the whole of the province or district it governs, and carries out completely the work of the union, except in special cases. The central body in Moscow takes a percentage of the branch income, varying from 5 to 25 per cent. In a few cases, where the area covered by the branch is very wide and scattered, it takes the whole of the contributions to administer it, and no percentage in this case is remitted to the central body. The contributions are paid monthly, it being the custom in Russia to pay salaries monthly, though an advance on the salary can be had, and is quite generally paid half-way through the month.

The function of the union is to see that the various Labour decrees are carried out, to secure collective agreement with employers for conditions better than the decree, where same is obtainable, and generally to watch over the interests of the members in that direction. But a very large part of the activity of this union, as in most unions in Russia, is to provide rest houses for their members, hospitals, education, and quite a number of other social things not generally within the scope of Trade Unions in Britain. The fact that minimum wages, maximum hours, and a wide range of Labour legislation is operating has set the unions free to take up and carry through work other than that which is customary in countries where the Trade Unions are of a purely industrial and defensive character.

The function of the shop committees and delegates is to see that the members are paid in accordance with the decrees and general Labour legislation covering the members, to negotiate collective agreements or alterations in same. If any dispute arises which the shop committee or delegate is unable to handle it is referred to the branch, which is generally able to effect a settlement. If, however, the branch cannot obtain a settlement it is then referred to the National Executive Committee, and if still unsettled it is finally referred to the Minister of Labour, who has power to settle the matter. It will be seen, therefore, that in the final resort a settlement is certain of being obtained.

In all unions the Communist Party exercises very great power and influence. On inquiry it was found that the members of the Communist Party in this union was only 9 per cent.

A visit was also paid to the Moscow Branch office. Here is really the same procedure as at the Central Office, except that the branch is administering for the membership, while the Central Office is dealing with the branches throughout the country. As usual, the union had a club attached to the office, but there are others also throughout the city. In addition, they have sport clubs of all kinds, dramatic societies composed of the members, study circles, the usual rest homes and sanatoriums.

This union, similar to most Trade Unions in Russia, occupied a great deal of its time and energy in education, and it is quite clear that a tremendous influence is being exerted throughout the country, the centre of which is the various Trade Union organisations.

IV

Visit to Moscow Insurance Department

The District Insurance Section is constituted as follows:—

Each factory elects delegates, one for each 250 employés. In factories where a lesser number is employed a maximum of three and a minimum of one would be appointed. These delegates meet annually and elect a management committee of 21 to control the section. The 21 then elect a management executive committee, which meets weekly and is designated the presidium of the section. This consists of the secretary, president, and vice-president.

The city of Moscow is divided into six districts. In addition to the executive control in each district exercised by the presidium, each district has three representatives on a control committee, which is elected by the conference, and these have the right at any time to demand a special conference. Should any dispute arise between the presidiums of the district and the control committees the Soviet has the right to intervene and give a final decision. The control committees are in general terms under the final supervision of the Soviet.

Each factory has its own Welfare Committee to safeguard the health of the workers. These meet every two months. From these welfare committees reports are given to the central committee and reports from the central committee meetings are given to the factory committee as representing directly the workers.

Benefits are paid as follows:—

(1) Temporary sickness causing incapacity but with a chance of recovery. Patients are examined monthly, and as long as they are certified unfit for work they are paid the average wage of their occupation, day work or piece work.

(2) Permanent disablement. All accident cases causing disablement are put in a list which is described officially as the "invalids of labour." They are also paid full wages on the average wage received for a three months' period prior to the accident.

(3) Permanent disablement from disease. Complete disablement, 18 roubles per month; cases where patients are able to give self-attention, twelve roubles; cases where the patient is able to do light work, nine roubles per month. All industrial diseases are to be scheduled as accidents under the new decree which will shortly come into force.

The unemployed are divided into two groups. Skilled men are paid unemployment benefits as follows: single men, ten roubles per month; one dependent, 25 per cent. increase; two dependents, 10 per cent. increase; three dependents, 75 per cent. increase; in addition to which other concessions are made to unemployed workers, no charges for light and water, tickets given for food and communal dining-rooms 50 per cent. below the actual cost price of the food. House rent charges to unemployed workers are also fixed at 10 per cent. of the usual rent for the same accommodation.

Maternity benefits are also provided for factory workers for maintenance eight weeks before confinement and eight weeks after. The benefit provided for office workers is six weeks before and six weeks after. The average wage is also paid during this period. The allowance is based on the average wage paid to the workers in their usual occupation. In addition to this there is a special clothing allowance, 16 roubles, to provide the child's outfit, and on return to work four roubles monthly are allowed for the feeding of the child, and the special children's allowance is continued.

The death benefit paid is 16 roubles.

In cases where hospital accommodation is required special provision is made for the workers. Eighty-five per cent. of the hospital accommodation in Moscow is reserved for the workers who suffer from diseases of occupation and other disabilities, leaving 25 per cent. for the use of others, in addition to which provision is made in rest houses on a scale which provides accommodation for 37,000 persons for two weeks in each year. There are also children's rest houses and welfare centres maintained for the use of workers' children, supplied with expert care and attention absolutely free.

V

Visits to Convalescent and Holiday Homes

The Delegation visited a convalescent and holiday home near Moscow. Eighty per cent. of the beds used for children in this home are reserved for the children of Trade Unionists. We found expert doctors and nurses in attendance carefully attending to the cases of children suffering from various kinds of deformity, in many cases severe consumption of the bones.

The equipment of this home is very satisfactory, and the cases we inspected showed that all that could be done to bring the children back to normal health and to cure the ravages of consumption was being freely placed by the Soviet authorities at their disposal.

The children are also given special instructions for the production of their own toys, and we inspected several interesting examples of their childish attempts to make dolls, to build small wooden doll houses, to make and print their own books, and in many ways to interest themselves during their period of convalescence. We were particularly interested in a copy of the hospital newspaper, which the children themselves produced. We were informed that 25 per cent. of the health funds of the State are now devoted to what is described as health defence at the welfare centres provided for children. Special diets are also arranged suitable to each case under the supervision of the doctor.

The house used for this purpose was formerly occupied by a foreign Consul with seven members of the family, including servants. Up to 100 children are now being cared for in the same house with a staff of 48, including medical attendants, cooks, and their servants. The staff are employed six hours a day. The lowest wage paid is 37 roubles a month, the medical officer being paid 172 roubles per month.

The best doctors in the country, we were informed, were placed at the disposal of these hospitals and convalescent homes for children, and specialists are called in to deal with all cases when special complications arise. The doctors are assisted by medical students drawn from the ranks of the workers and peasants, and we were informed that under the new regime 60 per cent. of the medical staff is drawn from the ranks of the workers and peasants.

We made inquiries as to whether there is a shortage of medical supplies and drugs, and we were informed that in the Moscow Department there was no shortage and the same now applied to all Russia generally. The necessities for hospital purposes were now being imported from France and other countries. X-ray cabinets had also been purchased from Germany. The only drug about which there is any difficulty is quinine. This is in great demand for malaria, but there is, however, no embarrassing shortage at the present time.

We also visited a rest home for adults situated in the same grounds. The house used for this purpose was formerly tenanted by one woman and her daughter, with servants for their attendance. It is now used for housing up to 50 workers at all times for rest and holiday purposes. The discipline regarding habits of those taking holiday rest, with regard to feeding, exercise, and food, was very strict. One special regulation insists on those taking holidays retiring to bed each day from 2 to 4 after lunch.

On making general inquiries regarding the provision of such rest houses and hospitals for children, we were informed that prior to the Revolution, 85 per cent. of the medical service of Russia was devoted to the service of 5 per cent. of the population, the remaining 15 per cent. to 95 per cent. of the population. This information was given by the President of the Moscow Branch of the Medical and Sanitary Workers.

The equipment of all these establishments was most striking; in the living rooms the beautiful furniture, carpets, and pictures still remained. It was evident that the greatest care of it all was taken by the workers.

During the visit to Russia, the Delegation visited many such rest houses and sanatoria, all in perfect state of cleanliness and upkeep. At Kislovodsk, the great health resort in the Caucasus, the Delegation dined with the inmates and remained with them for the whole day.

VI

The Association of Mine Workers in Russia

The Association of Russian Mine Workers includes not only coal miners, but iron ore miners, manganese miners, and salt mines, and all other mining industries.

The hours of getters and fillers were six hours, including winding time; except by special agreement between the Miners' Association and the administration, which does not in any case exceed 15 per cent. of the full total of getters and fillers employed. And then they can only work up to eight hours, including winding time; except on a Saturday, when they work six hours, including winding time.

Surface workers' hours are eight hours per day, except Saturday, which is six hours, including meal times. In other words, they have a 46-hour week, including meal times.

In abnormal working places, which include wet places and bad roofs and floors, or any other disadvantage, the men work less hours, down to three in some instances, and are paid wages not less than when working under normal conditions; in other words, it is recognised that these places mean harder work for the workman, and he is paid not less than he would earn under normal conditions.

For a decision as to what is an abnormal place, the officials at the colliery and the workmen's representatives try to settle. Failing that, it goes to the wages committee first, and failing a settlement there, it goes to a committee called the " conflict committee," and the payments are retrospective from the date when the worker alleges that his place became abnormal.

There is a minimum wage fixed by the Minister of Labour, but this is not satisfactory to the mine workers, and the custom is to fix by special agreement a higher minimum which is regulated by the cost of living.

During the existence of such an agreement for wages the workers can ask for an increase should any sudden jump take place in the cost of living. And the wage that is established for the period of agreement cannot be lowered, but it can be increased as stated above. If the administrators and the Association of Workers fail to agree, they can fix up an arbitration court of their own, but failing a settlement by this method, they can go to an arbitration court appointed by the Minister of Labour, whose decision is final.

The getter only gets the mineral and has nothing to do with the filling of same. This is done by a separate person, and the getter has no responsibility for this particular person. The percentages of getters to the total number employed are 18 per cent.; 40 per cent. are other underground workers, and 42 per cent. are employed on the surface.

They generally work two shifts of coal getting, but about one-third of the pits only work one shift, and there is no extra pay for work in shifts on days and afternoons. But those employed on night-work get an extra payment of one-seventh of a shift.

During one month a worker can draw 75 per cent. of his wages, and then the final payment of the other part due is made on the 10th of the following month.

Getters and fillers are expected to work 18 days in each calendar month, and other underground workers 22 days, and surface workers 24 days. If a worker loses one day's work or up to three days' work, in the first instance he is paid the exact wages that he would have earned if he had worked 18 days, but if he becomes an habitual absentee, he is dealt with by the Conflict Committee in the second instance, and probably dismissed on the third occasion, as there is no fining allowed. But if he can show a justifiable reason why he had to play, no deduction or dismissal is made.

All necessary tools and explosives are found free of cost to the worker.

No checkweighmen are required on the surface as the men are guaranteed a minimum wage with extra pay if they fill more trams than what is agreed upon shall form the ordinary day's work. If a workman fail to produce the number of trams for the ordinary day's wage and it is alleged that he has not done his best under the conditions prevailing, it is

dealt with by the workers' committee and the officials. And if a case is proved by the officials, they have power to reduce his wages down to two-thirds of the amount of the ordinary day's wage. But we were informed there have only been about five cases of this character dealt with in the last five years.

The workers are provided with boots and special suits to work in by the administrators free of charge.

For accidents or industrial diseases the workman is paid for the first three months his full minimum wage as referred to in the above paragraph, and then at the end of three months he is dealt with by a special committee under the Minister of Labour, on which the mine workers are fully represented. If it is proved that he is still unable to follow his employment, then he gets as pension the ordinary minimum wage prevailing in the mining industry.

When it is decided by the Medical Board that a workman is fit to return to work, he must be found work at that colliery where his accident or industrial disease happened at his usual rate of wages.

There are no old age pensions, but when the worker cannot follow his employment, and it is decided by the Medical Board that such is the case, the workman is granted the ordinary minimum wage that is provided by the Minister of Labour.

Each surface worker is allowed two full weeks' holiday per year with full pay; whereas each underground worker is allowed one month's holiday with full pay.

The first class of inspectors are called safety inspectors, and must be qualified mining engineers, but are elected by consent of the Mine Workers' Association.

The next inspector is a practical miner who is elected by the district union for one year and paid by the Government to see that the miners are working under proper conditions and that the amenities of housing and special clothes and boots for wet work, etc., are carried out.

A deputy has to be a good qualified miner. He is appointed by the administrators of the mines with the consent of the Association of Workers, and he makes a report to the mining engineer at the colliery or collieries.

There is no maximum distance with regard to setting timber in the General Mines Regulation Act.

The workmen are not allowed to work in exceeding 3 per cent. of gas, but if a workman finds that there is over 3 per cent. and leaves his work he reports to the official in charge and is paid his full day's wages for same, whatever time it may be when he leaves his work.

With regard to timbering, he is also paid a day's wage for leaving his work when he is short of timber and reports to the official in charge, which,

we are informed, has been a splendid safeguard in preventing accidents and loss of life.

No one is allowed to go underground until arriving at the age of 18 years, when he must be paid not less than the district minimum wage received by the adult workers.

No person is allowed to work on the surface at the mines under 18 years of age.

Girls and women are employed on the surface in a few cases, and are paid the same rates of wages as the males.

An amount equal to 1 per cent. of the total wages paid each year is made by the Trust and handed over to the workmen's union for club purposes. This has proved a great advantage to the workers in the various collieries, villages, and towns.

The output of coal for 1924 is estimated at 14½ million tons, and that for 1925 is expected to reach 16 million tons.

There are employed in coal mines 140,000 employés. In all the other mines which have been named above 350,000 are employed.

The production of coal is as follows:—

Sixty per cent. of anthracite and 40 per cent. bituminous coal.

The policy is to have short agreements, six months, in no case more than twelve months.

There are 17 classes of labour for wages purposes, each class being in all cases granted a minimum fixed between the administration and the Mine Workers' Association.

There are very few coal-cutting machines in operation.

Only a few conveyors are at work in the mines.

The depth of the mines vary from 200ft. down to 2,800ft., which is the deepest mine they have yet worked.

The thickness of the coal varies in Russian collieries from 21in. to 60in. Most of the seams are of the thicker character.

The workers pay voluntarily to collectors 2 per cent. of their actual wages earned to the association as contributions, and the annual income of the association is, in contributions and other miscellaneous incomes, £405,000 sterling per year. In their industrial bank, the money deposited for an 18 months' period is at the rate of 9 per cent., and then can be withdrawn on 14 days' notice at the same rate of interest. For a current account they receive 7 per cent. Out of the contributions received by the association, they pay from 10 to 20 per cent. to the Central Committee of the All-Russian Miners' Union, which provides for education, rest homes, scholarships to university, and also accumulates a fund to assist districts for grants in aid of unemployment and strikes, if any, also grants to other international miners' organisations, retaining 80 per cent. for strikes, benevolent purposes, administration, unemployment, etc.

The mine workers are supplied with coal free to their homes amounting from seven to eight tons per year.

There are no pithead baths, but there are Russian steambaths in the various housing centres for the use of the mineworkers and their families. But the housing is generally bad. This is recognised and there has been a good start made since the Soviet Government came into power to provide better accommodation.

No direct payment is made, but in every new agreement, such as we have described above, arrangements are made for extra pay for longer distances of travelling.

The rippers and dinters and tunnellers or drifters are paid so much per day, based on a certain length of work, and if they exceed that amount they are paid extra per foot or per inch, whatever is the custom of measurement.

All dirt and ripping stone is sent to the surface from the ripping lips in the various roadways—in other words, none is sent into coal face workings to be emptied.

The mineworkers are housed in close proximity to the colliery. Hence there is no need to travel with 'buses or trains to their work.

The workers at the mines and other industries generally do their trading with the co-operative societies, showing that the Trade Unions realise that co-operation and industrial activity are a necessary alliance for the benefit of those participating therein. They have, however, complete liberty to buy where and from whom they please.

The pit committees are composed of workmen at the mines, both underground and on the surface along with the management, and its powers are to consult with the management on general working conditions and safety. The pit committee is at liberty to make suggestions and discuss the same as to methods of working and safety, and failing satisfaction from the management can further appeal to the Central Committee. They are also consulted as to the appointment of management and dismissal of management, and while they have not the final selection or final voice in dismissal their requests are taken due notice of, and in many instances are accepted as to working matters, and so forth.

The mines are marked out in areas, and a Trust is appointed by the Government and the Central Miners' Union to work these areas. Some general lines of policy are marked out, but the workings of the same are left to the local Committee of Management and Mineworkers to work out to the best advantage. The pit committee is also taken into consideration when any new methods are being adopted for working collieries or for safety appliances and safety generally.

There are a few small mineowners yet. But very few, who own very small pits or outcrops.

The contract of service is 14 days.

A worker who is dismissed for doing anything wrong can get work at any other colliery. There is no black list, and no victimisation exists.

As to industrial diseases, there are very few cases of miners' nystagmus, and there are very few cases of beat hand. But when the workman cannot follow his usual work from any of the above causes, he is paid his full wages for the first three months and dealt with afterwards as an ordinary compensation worker. But in any case, where the man cannot work on account of beat hand, they find him some other work not affecting his complaint.

VII

Visits to Coal Mines

One of the Delegation visited the Gorlovka Coal Mine, which works five seams, raising the coal at an angle of 55 degrees. He reports as follows :—

It was difficult work but very interesting, and a new experience to me with all my long mining experience.

Thickness of this seam is about 4ft. 6in. including in sections of it two layers of dirt, one 3in. thick and the other 1in. thick, in one section no dirt parting and in the other sections divided by one layer of dirt 2in. thick.

The depth of the shaft that I went down was 600 yards and the shaft pillar 600 yards in length. Number of men underground, 900. Number on surface, 800. Out of that number there were 260 coal hewers. The output from the 1st October, 1923, to the 30th September, 1924, was 250,000 tons. The colliery consumption of coal was 10 per cent. of the total output. The mine has been producing coal 35 years. and the chief engineer has been there since 1910. The cost of production of coal into wagon at surface is about 18s. per ton. This coal is used for smelting purposes.

I went down three of these slanting workings along the face 280 yards in depth. The hewer gets his coal which slides down the working face in directed channels to a chute. The tram stands under this chute, and the coal falls into this tram. Thus neither the hewer nor anyone else uses a shovel for filling coal into tram. There is no need for shovels in this mine except for cleaning up on haulage roads, etc.

Winding ropes run on an average of one year, but no rope is allowed to run for more than two years. They used to get their winding ropes from England, but now they get them from Sweden, not through choice but because there are no proper trading facilities with England.

I learned that they are pumping from this mine 4,000,000 gallons of water per day. Their electric machinery was running, at full peak load, 1,100 kilowatts. They were already getting foundations in to increase the electric works to 3,000 kilowatts. The winding engines have been in for over 30 years,

and are very much out-of-date. There were three lots of cages running in this shaft of a very primitive character. When exchanging trams they had to pull the full one out before they could put in the empty one. Of the cages, two had four decks and the other six decks.

All hewers in this mine are provided with working clothes and boots. In other words, they change their working suit that they come to the colliery in for one provided at the colliery, because the method of working destroys their clothing in a very short time.

On inquiring into the wages of coal hewers I found that they earn here from 50 to 60 roubles per month, because the management and workers' committee class these working places as abnormal. I then visited the engine house to inquire as to working hours of engine winder and his wages. I found that he is on a six hour day, including meal time, and has 45 roubles per month. The electricians work similar hours and have a similar wage.

The workers on the surface, and underground have their houses or tenements close to the collieries and live rent free. They have from 7 to 8 tons of coal per year allowed free.

The hewer's maximum working time is 18 days per calendar month. The other underground workers in most mines work 22 days per month, and the surface workers 24 days per month.

I have already named in a previous report that when a mine worker has to leave his work for any cause of danger which includes gas, shortage of timber, etc., he suffers no loss of wages for so coming out.

And I was glad to find the mining industry worked on the policy of organisation by industry, which means the underground and surface workers, including those of by-product plants and all classes of mining, being in the Mine Workers' Association. And every person working in or about mine industries is a member of that particular organisation.

The Russian policy in all kinds of work is organisation by industry. This principle, if brought about in our own country, in my opinion would place the workers in a considerably better position to resist the capitalist pressure that is put upon us from time to time.

Whilst I could not say that I was satisfied with the general conditions and work in the mines, still they have achieved under State ownership reforms for which we have been agitating for years in Great Britain and have not yet achieved.

The Bryansk Coal Mine which has a depth of 265 yards was also visited. The shaft pillar is 700 yards thick. Number of persons employed underground, 1,500. On surface, 800. Output per day, 1,000 tons. Numbers of ponies and horses underground, 50.

The coal is called " Diamond," and is used for smelting. The mine was twelve years old. The seams 3ft. 6in. There were three Sullivan (American) coal cutting machines at work.

The coal miners were paid in 1913 for twelve hours' work, 2 roubles per day. In 1924, for working six hours, which includes winding time, they earn $2\frac{1}{2}$ roubles.

The cost of living here is at the present time nearly 70 per cent. higher than in 1913, but the miner gets benefits now which he had to pay for before.

The cost per ton for production is 22s. into the wagon.

The method of dealing with wages and disputes is dealt with locally by two Commissions. One is the Conflict Committee, upon which are two workmen and two of the management staff. If this Committee fails to settle, then they call in an independent person from some other trade to decide between them. Then there is the Pit Committee which varies from three to seven, according to the number employed. One of these is employed full time in inquiring into questions affecting the workers and their amenities of life. He is paid his wages by the employers, which means in 95 per cent. of the mines, by the State. As has already been stated, there are a few little mines belonging to private enterprise.

VIII

Visit to the Liebeknecht Salt Mine at Bakhmut

The depth of the mine is 560 yards ; the number employed on the surface and underground is 130 on day-shift and 100 on night-shift. They have a six hour day underground, including winding time, and 46 hours per week, including meal times on the surface.

The salt in this mine is 160ft. thick. The output is 16,700 tons per month. The Delegation was informed that another bore-hold has been put down with the intention of sinking a further salt mine and when they had bored 290ft. in salt, their drill broke and the bore-hold was carried no further, as there was no large demand for salt at that particular time, they having many other salt deposits of different types in various parts of Russia.

They have a wonderful method of mining this salt. They use a machine of Italian invention with a bore of 2ft. 6in. in diameter and 4ft. 6in. in length, weighing about 15cwt. Each set of men consisting of three can cut on an average ten of these 4ft. 6in. blocks (2ft. 6in. in diameter) per shift.

Most of this large bed of salt is got without explosives of any character, except in getting the top bed, where they had arranged a round of shots to be fired when we were there, 50 in number, and a tremendous amount of salt was blown down through this process.

This mine is ventilated by natural ventilation and is very cool. The workers work under favourable conditions. The mine has been operated for the last 45 years.

NEW TYPE OF WORKERS' HOME (FOUR FLATS)

The Delegation found that the workmen are graded by a Committee of workmen at the mine. They have eight grades. Commencing at Grade 4, youths of 18 and over, 18 to 20 roubles per month. In English money this represents from 40s. to 45s. This is a guaranteed wage for 18 days per calendar month.

Grade 10 consists of miners or drillers at a guaranteed wage of 39 roubles per month, which means in English money, 87s. But they have also a system in all grades whereby they can improve wages by increased productivity. We found that some of these miners or drillers earn up to 80 roubles per month, which means, £8 17s. 6d.

Grade 11, is the foreman or "deputy" in mining parlance in Great Britain. One deputy looks after ten men. He has about 50 roubles per month (£5 12s.).

In the stables were found ten horses well cared for and in good condition. After being down the mine three hours, the Delegation came to the surface and visited the winding-engine house to look at the machinery which was very antiquated.

The wages received by the engine-winder and the hours he worked were found to be 39 roubles per month, which means in English money, 87s., the hours being six per day, including meal times.

The Delegation was satisfied that this mine could be wonderfully developed and the output raised by at least 75 per cent., but owing to lack of capital they have to carry on as best they can ; and repeat here what has been said in regard to coal mines, in the lack of machinery or with regard to the antiquated plant, a wonderful avenue of trade for unemployed engineers in Great Britain could be found in the Don district alone.

But with all the difficulties the Russians have to encounter, every one from the highest official to the youngest worker seemed to be doing his best, the motto being : We work in this mine for the benefit of the community and ourselves, and not for that of private enterprise.

In conclusion, the Delegation was satisfied that this was the finest salt mine that had been seen in Russia or elsewhere.

IX

Visit to Electric Power Station

Under State ownership, electric power for the whole of the Moscow Province has now been centralised in six stations.

The Mogess Station, No. 1. which supplies electric power for the city and many of the local factories, also for lighting streets and houses, was visited by the Delegation. This station was considered before the Revolution, to be one

of the most up-to-date generating stations in Europe. There is very little difference in the general appearance of the power house and boiler houses as compared with pre-war days. A new turbine has been erected within the last six months, and a Babcock and Wilcox oil-fuelled tubular boiler is in the process of erection. The English erector stated that this is the largest type which has yet been manufactured by this firm.

The output figures, taken as a whole, which include power for the use of tramways and other purposes, show an increase of 30 per cent. for 1924 over similar figures for the previous year, and the requirements for industrial purposes have already increased above the pre-war level.

The average price charged for power has now fallen to 9.75 copecks per unit, as compared with 9.41 copecks in 1913. The existing tariff is as follows :—

LIGHTING.

	Copecks per kilo.
House lighting	15
Theatre and places of amusement	25
Shops and private enterprises	75

POWER.

Tramways	3·8
Large factories	from 4 to 5
Small factories	from 6 to 7

The stores appeared to be well-stocked with supplies, most of which have been recently imported from Germany. The stock of 30,000 new meters was specially noticeable. These are of German manufacture and all bear description plates in the Russian language.

The Delegation was informed that, although the staff of workers has greatly increased with the increase of power output, the higher administration has remained at the same level, but the total amount paid for administration had decreased by nationalisation.

There has been no stoppage in this power station, which has worked continuously all through the Revolution.

What is known as the higher administration is chosen by the factory Trade Union subject to the approval of the Central Committee. The usual books are kept showing profit and loss, a special department deals entirely with statistics, while the buying and stores departments function as usual, but all purchases are made through the State purchasing organisations.

It is, however, in the organisation of the workers that conditions are entirely changed.

A special office with a staff consisting of the president, vice-president, book-keeper and two clerks is allotted to the factory branch committee of their Trade Union, known as FabZavKom. As explained elsewhere, the members of this committee are elected from all the workers in the building who belong to the same union irrespective of their actual trade or profession. This organisation deals entirely with the administration of the workers. It engages and

dismisses workers, arbitrates in disputes, and is responsible for their housing and general welfare. The members of this commission may be of any political opinion.

In conjunction with this committee, however, works a special commission formed of the Communist workers in the factory. This commission, which is really a Communist committee, is known as the " yacheika " (cell) or nucleus. The yacheika is an entirely separate organisation with a special staff and offices. Its function is to see that FabZavKom takes no action that is contrary to the tenets of Bolshevism as laid down in the laws and regulations of the State. Any workers having grievances against FabZavKom may apply to this body, which can arbitrate, or, at its own discretion, report to higher authorities.

Housing has been effected by handing over to the workers large blocks of buildings in the surrounding streets which were formerly residential flats of the well-to-do class. Each worker is allowed 20 square archines (one archine, 29in.) of floor space. A special house committee is elected by the residents in each block. This committee formulates regulations, which are submitted to FabZavKom, and is responsible for the allotment of quarters, repairs, redecorations of the buildings, cleanliness, sanitation, and supervises the supply of water, lighting, and central heating in such buildings where this exists. Any members of this committee may visit the quarters of any resident. In case of infringement of regulations, which the committee is unable to deal with, it refers the matter to FabZavKom. Each tenant pays rent to the treasury of the committee. This rent is on a sliding scale according to the wage received by the tenant, the minimum rent being ten copecks per month per square sarjen. The committee is responsible for funds collected and expenditure on upkeep.

The Delegation visited some quarters chosen at random by its members and scrupulous cleanliness was remarked in most of them. In many a considerable attempt at comfort and artistic decoration was noticed. Clean curtains hung from the windows and pictures decorated the walls. Most of the larger families occupied two rooms, with a kitchen partitioned off. The lavatories were visited and found to be clean and in sanitary condition.

The Delegation then visited the children's creche. This consisted of five large rooms, which constituted two play rooms, a dining room, a kitchen and a rest room. Mothers who are at work leave their children in this institution for the whole day. On arrival, each child is supplied with clean overalls and his towel hangs on a special peg marked with his name. Organised games and kindergarten instruction are given to the children. They received their meals, and the younger children are made to rest between sheets in little beds for a specified period each day. All the children appeared to be extremely happy and well-cared for ; an exhibition of the older children's drawings and little works of art showed that very considerable interest is taken in training and amusing them. The institution is visited by the medical staff twice a week, when every child is examined.

A well-equipped technical school has been inaugurated in which lectures are given to the workers on the theoretical side of their profession. A library of standard works is available for readers. One very noticeable feature was a display of sheets and tables giving all available particulars in detail dealing with profit and loss, scale of wages, comparative tables of production, estimates and diagrams for new schemes and improvements, and all the statistics regarding the financial and administrative organisation of this station.

This data lays before the worker in simple form the whole of the inner machinery of all departments of the concern for which he is working.

A large private house formerly belonging to a wealthy Moscow merchant has been handed over to the workers as a Social Club. This consists of a meeting hall, library, reading rooms, and full club accommodation. No alcoholic liquor is allowed on the premises, and it was noticeable that in certain rooms you were requested not to smoke or talk. The club was well furnished and extremely clean.

The whole system of administration of this power station and the condition and pay of the workers may be taken as typifying the ultimate aim of all nationalised industrial undertakings in Russia. In this particular instance, it has ce tainly reached a higher level than is found in many other factories.

Several factors have undoubtedly contributed towards this result. In the first place, it must be remembered that no stoppage has taken place at this station during the whole period of the Revolution, and work has been continually carried on although often under very tragic circumstances. In the second place, all grades of workers in electrical works were formerly of a much higher type, both mentally and socially, than those found in many other industrial undertakings. The nature of their work required greater skill and order. Electrical power stations were a later development in Russia, and more care was therefore shown in their upkeep and general appearance. The buildings and the general accommodation were more up-to-date ; consequently, the general conditions of the worker were nearer to those we are accustomed to find in Europe.

It is therefore evident that in these undertakings the first signs of revival under the new system will be most apparent.

X

Visit to the Goojin Iron and Steel Works

This factory consists of smelting works, iron foundry, production of wire nails, nuts, bolts, pins, and iron and steel rods, and was built 25 years ago. Over 4,000 hands are employed. Here the general conditions both in plant and machinery, organisation, and the situation of the worker were certainly far below the standard in Europe. A different type of worker is employed to those in electrical stations. A great deal of the machinery is out-of-date, and

much of it running under conditions of disrepair which are apparent even to the casual observer. In 1923, the factory, although it supplied one of the country's important needs, worked at a loss. During the past ten months, however, considerable improvement has been made, and a profit balance for that period is already shown.

The organisation of the Clubs, Creches, and Technical Schools has been carried out on the same lines as at the electrical stations. The accommodation, however, is not so good, although cleanliness and order in the Clubs, Creches, and Technical Schools was quite up to standard.

A neighbouring nunnery has been requisitioned for housing some of the workers. The accommodation appeared to be adequate, but order, cleanliness, pride of possession was comparatively lacking as compared with the workers at the electrical station. This is undoubtedly accounted for by the originally lower standard of education among the class from which these men are drawn. It was, however, evident that serious attempts are being made to raise the domestic standard of these people.

XI

Visit to the Volhof River Electricity Scheme, Volhofstroy

The members of the British Delegation to Russia visited this Electrical Power Station which is being constructed for the purpose of utilising the tidal power of the Volhof River in order to generate electricity intended in the first instance to supply electric power in connection with the domestic, industrial, and transport needs of Leningrad, with the possibility that power would also be transmitted for use in the agricultural and rural areas between Volhofstroy and the city. The enormous power station being constructed was an indication of the determination of the Russian Government to utilise all the powers and agencies at their disposal to meet Russian requirements.

The scheme was first discussed in 1902. The plans were prepared in 1911, but the work did not start until 1919 as part of the Lenin scheme for the electrification of Russia. We were informed by the chief engineer in charge of the job that the principal obstacle to its development had been the opposition and destructive tactics of the Steam Power interests in Leningrad and other centres. It was Lenin, we were informed, who in 1917 insisted that the scheme should be proceeded with. The official date fixed for commencement being July, 1918, was delayed for various reasons connected with Civil War and internal trouble. It is anticipated that the scheme will be completed in 1925, and by that time electric power will be delivered to Leningrad at a very low price.

The scheme is estimated to cost approximately 70,000,000 roubles, in our money about £8,000,000 sterling. This cost will include the erection of the

power station and the cost of the plant for distribution. The number of men employed in connection with this huge undertaking at the time we visited the plant was about 11,000.

During our visit of inspection we saw these men employed in the various sections of the work utilising electric cars, making concrete and building electric conveyors ; it was estimated that about 4,000,000 cubic feet of timber was being used in connection with the building.

In going through the encampment erected for the purpose of housing the workers, we were interested to note the efforts that were being made to make life bearable for those employed by the provision of concert rooms, cinemas and theatre performances at which proniment artists from Leningrad were employed from time to time assisted by amateur talent trained from amongst the workers.

We were also gratified to note the efforts which were being made to take care of the young. We visited the Baby Créche where babies from three to eighteen months are cared for by skilled nurses and doctors in premises kept scrupulously clean, furnished with small tables, toys, and all kinds of the special equipment required for this purpose. Workers have their own hospitals on the job, first aid equipment, schools for their children, gymnasiums and recreation grounds. Medical attention is provided for the workers and special efforts are made to protect the health of their children. Monthly reports are given regarding the progress of each child coming under the care of those in charge of the children's hospital and Baby Care Centre.

The average wage paid is 60 roubles per month, the minimum monthly wage being 35 roubles on time work, but 80 per cent. of the men are employed on piecework and are employed 24 days per calendar month. While the average piecework earnings during last October were 63 roubles per man, it was stated that in some cases the maximum earnings were up to 150 roubles.

In connection with this, as in the case of all large contracts, the men employed were members of the union, paying Trade Union contributions at the rate of 2 per cent. of their wages. The only exception regarding union membership was made in the case of men who were brought into the contract for periods of short duration mainly from the peasant districts for special work requiring little or no skill ; 95 per cent. of the men were members of the Building Trade Union. In this connection we have to point out that for all grades employed on this huge contract there was only one union, with the exception of the medical and hospital staffs, who were members of the Medical Workers' Union.

The hours of labour were eight hours per day and a 48-hour week, with a fortnight's holiday with pay. In addition to which workers' clubs, film performances, plays and dramatic circle classes were provided at a very low price, together with all the conveniences in connection with the holiday, health

and special benefits provided by the unions referred to in another portion of the report.

No rents are paid by the workers employed for the use of the wooden houses erected on the job, food and fuel transport is paid for, but for lighting and rent there are no charges.

For the maintenance of the hospitals and insurance convened for the purpose of providing special benefits the equivalent of 16 per cent. of the total wages bill of the contract is taken for the institutions.

The workers subscribe monthly for newspapers and 11,000 copies of the monthly newspaper are purchased regularly.

On making inquiries as to the salaries paid to the administrative staff, we were informed that the chief engineer received 800 roubles per month and the five assistant engineers received 600 roubles per month.

The hospitals, schools, dispensary, and baths provided in connection with this huge electrical undertaking were in every way satisfactory and interesting to the members of the Delegation.

XII

A Visit to a General Engineering Shop

A visit was paid to a very up-to-date engineering works at Kharkov, which appeared to be exceedingly well organised and contained apparently all up-to-date appliances and machinery, and was of very considerable extent.

They were fully engaged in one large shop in building Diesel internal combustion engines, many of them a very large size, and were putting the completed engines through very severe tests.

In another shop were being made electric generators, the beds therefor and accessories. Many of the generators under construction were of very large type, including two being made to order of the Soviet for Turkestan.

In another shop they were building in large quantities four cylinder motor tractors for agricultural work, and from the number under construction it would appear that the output was a fairly large one.

There were also under construction railway locomotive engines of quite a large design, eight wheel coupled with leading and trailing free wheels, specially designed for heavy goods or mineral traffic, and the Delegation was informed that they were designed to draw a train of 1,500 tons under normal circumstances.

Two engines had been completed, one of which was painted and had an exceedingly fine appearance.

In this shop also they had the most up-to-date machinery and many large scale machines, one of which was capable of cutting out five locomotive frames in one operation. The Delegation was informed that they were

completing about twelve locomotives per month, but that they had the capacity, if necessary, of turning out 18 per month.

All the shops attached to the works, together with yard space, covered a very considerable acreage, and they were still building yet another large shop at the time of the visit.

With the exception of the electricity works and the aeroplane works in Moscow, the general up-to-dateness and efficiency of this works surpassed anything so far seen during the Delegation's visit to Russia.

In conversation with the directing engineer the Delegation learnt that under the Soviet power and the new system of work management the men were working exceedingly well, and when any special order was received the men always exceeded the 1913 output.

In the apprentices' section there was one instructor to each 15 apprentices and working in a well-set-up part of the motor tractor building factory, the boys were busy making small accessories and tools, which were particularly well finished and very creditable to the young people. Several young women were noticed amongst the apprentices, who were being taught to make buckets, cans, and other liquid holding utensils. All the apprentices of both sections appeared to be quite cheerful and particularly interested in their work.

Generally speaking, the Delegation was struck with the whole organisation and fittings of this works and with the personnel of the workpeople employed there.

XIII

A Visit to Aircraft Works

A visit was paid by the Delegation to the aircraft works. In these works, 1,800 workers are employed on wood and metal parts, except engines, which are either imported or made at their own engine works in Moscow. All workers are members of the Metal Workers' Union. The lavatory accommodation in the new premises is modern and a vast improvement on the old.

This plant in 1920 consisted of three rather old buildings, and at the same time the workers' share of corn was ground on the premises in a very old-fashioned apparatus. There is a most noticeable improvement in things, though a great many parts are still done by hand in the absence of much-needed machinery.

A very finely built factory is just on completion. The 1st, 2nd, and 3rd floors being occupied by workmen. The finished machines compare very favourably and are mainly of the D.H. 9 type.

Here, as elsewhere, there does not appear to be any intention to patch up the old building, but rather to re-build entirely. In the small tubing works for landing bearers ordinary push cycles and a cycle radio machine are being manufactured.

A worker has built a small machine which saves a vast amount of labour in the cutting and shaping of the small parts of the cooling apparatus and aircraft.

There is a very fine set of schools where the lads are being taught (1) the Russian language ; (2) physics, and the theory of engineering ; (3) geography, etc.

There is also a (1) joinery apprentice shop ; (2) blacksmith apprentice shop ; (3) engineering and setting-out shop.

All of these seem to have their full complement, there being 30 lads in the latter.

There is a very fine club close by and it is still under reconstruction and extension. The theatre is a really well got up place.

A huge building of the " Flat " type is now housing 620 families of metal workers.

XIV

A Visit to a Locomotive Running Depot

The Delegation visited one of the locomotive depots attached to Moscow City. The shed was an old one and consequently did not appeal to the eye as much as the latter-day depots of Great Britain with their excellent accessories. It was, however, quite up to the standard of the older depots in Great Britain, and the work appeared to be quite efficient, having regard to the lack of up-to-date appearance.

During a conversation with the engineer in charge of the depot in his office, before touring the shed, the Delegation was informed that the very high centre of gravity of Russian locomotives was conceived in the belief that a less strain was put on the frame of the engine in rounding the sharper curves of the Russian railways. This high centre of gravity struck us at once, as the fire-box foundation rests on the top of the framing bearing the axle boxes, whilst the smoke box is carried on a super-structure above the leading frame-work of the engine. Consequently, the boiler is raised several feet above the frame and necessitates rather long steam and exhaust pipes to and from the cylinders.

In the engineer's office was an exceedingly good half-section of the locomotive now in use for the general passenger service in Russia, from which the Delegation was able to gather that the Walchaert gear is generally in operation on the railways of Russia, together with the piston valve principle. We learned that owing to the shortage of copper, whilst the tube face-plate was of copper, the walls and roof of the fire-box were of iron, as were also the boiler tubes. Super-heating is the general practice on the Schmitt principle.

The Delegation also learned that the Swedish engines which we had seen at Sebej did not fur or cork the tubes, as we had been informed, but that owing to

the grate construction being different from the general Russian principle, the clinker set on the bars of the Swedish engines, and consequently detracted from the steaming qualities.

In passing around the shed and repairing section of the depot, the Delegation found that the engines were not cleaned as is the usual practice in England, but that tubes were run with a rod, but on coal burning engines fire-box, ash-pan and smoke-box were cleaned in a similar manner to our own. Many of the engines, however, were oil burners, carrying a round tank of oil on the tender, which, owing to the intense frost of the Russian winters, was steam-heated to keep the oil in a usable fluid state. The foot-plate cabs of all these engines were especially built for protection to the men, being quite in the form of a small cabin entirely excluding all draft, consequent upon the running of the train. The Westinghouse brake appeared to be in general use, with quite up-to-date lubricators and injectors.

The axle boxes had quite good oil wells with the usual worsted trimming and worsted pades in the well of the box beneath the axle. Generally speaking, fitting and repairs appeared to be much on the same principle as in our own country.

With regard to the foot-plate men the engine driver is made by commencing an apprenticeship to the fitting, followed by a period of riding as third man, and attending to oiling, etc., until practical driving were acquired. They were also, if necessary, given a course of instruction in firing, but firemen as such were not promoted to the position of engine driver but remained firemen throughout. Drivers had to pass both technical and eye-sight examinations, the latter being repeated every year.

At this depot, there were installed baths for the men with attached dressing rooms so that working clothes could be donned at the shed, and put off after the day's work, when, following the bath and change of clothing, the men could go home quite clean and decently dressed. There was also a restaurant with very fine kitchen arrangements and ample floor space for seating some 200 diners at the same time. In addition to this a co-operative store was attached to the depot, where all necessities of food and clothing could be purchased on production of the union card at little above cost price, and members were even allowed a credit card which permitted them to pay for the most expensive articles by instalments over a fixed period of time. There were also attached to the depot dwelling houses for the men, such as we had seen at factories and other works. The working hours were eight per day, and, generally speaking, the Delegation was given to understand that the conditions of the men employed were a great improvement on the old conditions in Russia. Nor was the social side forgotten, as a club, or institute, was also attached with reading rooms, library, lectures, and other educational facilities in addition to facilities for social intercourse.

XV

The First State Boot Factory Established in Russia

This factory, prior to the war, was utilised as a munition factory for the purpose of producing shells. Since the Revolution, it has been turned into a well-equipped modern boot factory. The process of transfer commenced in 1921, but the factory was formally opened and named the Paris Commune Boot Factory on the 12th of March, 1922, the day upon which the Commune is celebrated all over the world.

The factory started with 87 workers. The total number now employed is 632, excluding the administrative staff, numbering 56. The output is 1,400 pairs of boots per day.

Passing from the manager's office to one of the departments, the Delegation noticed a display of coloured posters on the walls and were particularly interested in one dealing with the care and training of children, including a very amusing section showing a demonstration of babies demanding the right to be born of healthy parents.

One hundred and eighty women are employed in this factory and the Delegation was informed that men were excluded from their particular kind of work unless there were no women capable of doing the work unemployed. Any vacancies, subject to this provision, could be filled by a male operative.

Special provision is made for the medical care and attention of the employés and in the first-aid department, the Delegation was introduced to the fully qualified doctor in charge, assisted by a fully qualified nurse and an experienced assistant. A factory dentist is also employed to care for the teeth of the workers.

The Delegation was permitted to see the records of accidents in this factory and our inspection showed that the total number of accidents during 1923, and up to the 1st October, 1924, was 83. None of these were very serious and the majority of minor importance.

On the walls of the manager's office, copies of the factory laws and labour laws which had been accepted and signed by the Trade Union representatives for the employés in this factory were noticed. The manager in charge of the factory is appointed with the consent of the union.

The stockrooms and stores rooms for materials were in perfect order, and the finished articles were of a very high order. The leather used in this factory, in addition to Russian supplies, is imported to the extent of 40 per cent. from America, Germany and France. Some of this material is very valuable and great care has to be exercised in cutting up the skins that waste should be reduced to the minimum. In order to discourage waste, calculations are made as to what the skins should produce, and a bonus is paid to the worker if there is any increase in the number of leather sections taken from each skin.

Machinery utilised in this factory is mainly imported from America, some of it comes from Germany and the remainder is supplied by Russian engineering establishments.

The Delegation was very much impressed by the utility and finish of the goods being produced in this factory. As far as could be seen, nothing but leather was being used for the soles. and there was no evidence of shoddy work. Making comments on this, the Delegation was informed that an effort was being made to defeat private traders by producing goods of a better design and a much more durable quality.

Our inquiry into wages elicited the following information. The wages per employé during the year 1923, to October 1924, per quarter were as follows :—

	Wages per month.	
	Roubles.	Copecks.
January	78	10
April	79	24
July	52	52
September	91	81

The average wage per worker as shown for the July quarter was low on account of the fact that this quarter represents the holiday period. Holiday wages are, however, paid, there being no reduction, but these payments do not appear in the books of the factory.

XVI

Rubber Works

The Delegation visited the Leningrad State Rubber Works, where motor tyres, goloshes, toys, and surgical appliances were being manufactured on a large scale. Mainly machinery of pre-war type and British make. Large extensions were being carried out and several new machines were being laid down, and it was observed that these were from Manchester and that more were to be installed. At present 8,000 workers are employed, the pre-war number being 13,000.

The factory was well organised, though the air space was rather less than that obtaining in such British firms as Macintosh and Dunlop, but this will speedily be changed, as some very extensive new buildings are being constructed.

Connected with this undertaking is a set of very fine dining rooms. Electrical equipment is used in the cooking of food and even in the cleaning of utensils. The meal times at the works are practically arranged to suit the accommodation at the new dining buildings. Thus, the first meal is timed for 11-30 a.m., and two others intervening the last commencing at 1-30 p.m. The meal consists of a fair sized piece of meat and soup, with a portion of sweet pudding and a supply of bread, black or white or both. The meal is served up

ready, but the soup is placed on the table in a number of fair sized basins, and each worker serves himself with a second helping should he need to.

This meal works out at about 7d. per head, and is quite comparable with anything obtainable for 1s. in this country.

The Delegation partook of a meal and served themselves from their own selected positions.

The institution is managed by workers from, and the initial costs borne by, the rubber undertaking.

Apart from the dining rooms there is a café and bar, and both alcoholic and non-alcoholic beverages can be obtained. There are reading rooms, a club room, and library, a wireless installation, together with a music room and a very fine " Red Corner."

All these are at the disposal of the meanest worker employed at the Rubber Works in Leningrad.

XVII

Visit to a State Tobacco Factory in Moscow

Each department was taken in turn, cigarette making apparently being the main occupation. The Delegation saw the paper cigarette cases being made and subsequently filled with the tobacco by machinery, and afterwards went into the tobacco-cutting department, and were shown some English machines, which, though smaller than the Russian, are considered to be the best, and do more work in the same time.

In respect to machinery, it was stated that more was required, particularly for filling cigarettes in the packets, a good deal of which is being done by hand on account of the lack of machinery. There is no doubt English machinery is considered the best, and if it were possible, would be largely used. A good deal of the machinery gave evidence of wear, and, in the ordinary way, under other circumstances would be replaced by new. In spite of these difficulties, it was stated the production of the factory was now 95 per cent. as compared to pre-war. When it is remembered that the conditions of employment and hours of labour have been immensely improved since then, it certainly appears, under all the circumstances, a remarkable achievement.

While work was proceeding, the Delegation were shown a joint committee of the Co-operative Society (which has been formed by the workers in this tobacco factory) and the Trade Union, who were allowed during work hours to meet, discuss, and decide on certain matters connected with this Co-operative Society, which plays a very important part in enabling the workers to spend their wages to the best possible advantage. The Co-operative Society runs a restaurant where a very excellent mid-day meal is supplied at cost—expressed in equivalent English money at 8d.—to the members of this Society. It caters

for others than members, but these are charged about 80 per cent. more than the members of the society, and still it was stated these prices compare very favourably with those of the private restaurants. It was particularly noticeable that everyone concerned took a remarkable pride in the factory and its work.

It was interesting to find that the workers were equally anxious to inquire about things in England. Most of the active workers are young men, who seem deeply in earnest. One remarkable thing in this club, as in others, is that in a corner of one of the rooms is a bust of Lenin, which seems to take the place of the ikon of pre-revolutionary days. This, it would seem, is the way they mark their profound respect for him.

XVIII

Visit to Textile Factory

The most noticeable feature about these factories, which in many cases are well-equipped with up-to-date machinery, was their activity. The factories visited by the Delegation were working at full pressure ; and machinery which had fallen out of use during the civil war was being placed in a state of repair to meet the increased demand.

Many of the smaller concerns which were formerly under private ownership have now been, under the scheme of centralisation, closed, and their machinery moved to the larger factories.

Thus in 1922 there were 128 factories with 3,000,000 spindles at work, whereas in 1924 these had been reduced to 115 factories with 4,250,000 spindles. The workers had also increased from 180,000 in 1922 to 235,000 in 1924. The output of yarn in the year ending March, 1924, was 47,000 tons, of unfinished goods, 414,000,000 metres, and finished goods, 374,000,000 metres. In spite of the excess of demand over production prices have not gone up. Russia grows her own raw material, and considerable activity in irrigation is being undertaken in the cotton growing districts of the South.

The wool industry has done better this year, and the increase in finished goods was over 3,000,000 metres as compared with last year. This increase was confined entirely to rough goods.

REPORT ON TRANS-CAUCASIA

AND

GEORGIA

TRANS-CAUCASIA

PART I

CHAPTER I

General Position

The present political situation in Georgia and Azerbaijan is entirely dependent on and dominated by the geographic position of Trans-Caucasia.

(a) **Economic.**—Trans-Caucasia is a country where the most powerful of the strategic and economic interests now controlling the world come into collision. For in Trans-Caucasia, the West, headed by Great Britain and France, is competing with the East, headed by Russia and Turkey, for economic control of oil and manganese resources of immense importance and for the strategic command of the Asiatic Continent.

(b) **Ethnographic.**—Trans-Caucasia is also a country where there has been for centuries a struggle for supremacy between rival local peoples and political institutions which have been mere pawns in the contest of the Greater Powers. Georgian nationalism or Tartar communism or Armenian internationalism are real factors, but not the moving forces in the situation. After the collapse of the Russian Empire the collision in this region between various nationalisms and socialisms would have been complicated even without the foreign factor. For the flood and ebb of Empires has thrown up here a flotsam and jetsam of six radically different race-strains and some forty different tribes and dialects. Even mere raids, like the Crusades, have left their racial relics cold-storaged in the remote valleys of the Caucasus. While modern history, after the dying away of the tidal waves of race migration has left its mark in the colonies established by the Russian Empire for political reasons—such as the colonies of German and of Russian religious exiles.

(c) **Political.**—Before the war Trans-Caucasia was a bastion of the Russian Empire—very strongly held. Not content with a garrison that was a menace to all neighbouring peoples, the Empire engaged energetically in russifying the patchwork of small peoples that had accumulated in this region.

Georgian independence was easily crushed early in the last century, and before the middle of it the surrender of Schamyl in the mountains ended the long hopeless struggle of the mountaineers that had aroused the sympathy of our grandfathers. But right up to the war there remained remote valleys where the Russian tax collector, and even the British tourist never penetrated.

In the present day there are three local races important enough to compete for Trans-Caucasian supremacy—the Georgian, the Tartar, and the Armenian.

The Georgians

It is generally supposed that the Georgians originally came from the North of Babylon. At one time in early Christian history their conquests and influence spread as far as Constantinople. But the Ottoman and Russian Empires closed in on them from either side and already in the eighteenth century they reached the last stage by having their independence guaranteed to them. In 1801, Georgia was incorporated in the Russian Empire as the provinces of Tiflis and Kutais, and a hundred years of russification began.

The Georgian though he looks and lives like a European is an Asiatic. He believes in getting what he wants by brain work rather than by bloodshed. He is intensely proud of his ancient national life, his admirable national art and literature, his strange language written in characters that look like wriggling worms, his interesting national customs, and his picturesque costumes. Georgian troops are splendid to look at. But if Tiflis is almost the only town of importance in that part of the world that has escaped uninjured from the last ten years of almost incessant war, it is due to the exceptional intelligence of Georgian diplomats. The Georgian aristocracy accepting titles and offices under Tsarism became superficially russified. But the race itself has emerged with an intense and inbred dislike and distrust for the Russian, and a disposition to turn to any Power likely to support them against Russia. It was this that made them welcome first the Turco-German and then the Franco-British military occupations.

The Tartars

The Tartars are comparatively newcomers in the Trans-Caucasian nationality question, and are indeed even yet scarcely nationally conscious. Their country, known as Azerbaijan, formerly a Persian province, was annexed by the Russian Empire in 1814. They first became important with the development of the Baku oilfield, that brought some of them great riches, and with the development of the Pan-Turanian movement. For, being Mahomedans, speaking a Turkish dialect, they became the connecting link between the political centre of that movement in Constantinople and the racial centre of it in Central Asia. They have, however, no racial connection with the Tartars on the Volga.

The Armenians

The Armenians, scattered as they were through Asia Minor under a persecuting Ottoman Empire, with one province enjoying the protection of the Russian Empire, were as anti-Turkish as the Georgians were anti-Russian. International protection was their only hope. And they were alternately championed and abandoned by the Russian and by the British—being in either case, in the end, massacred by the Turks.

Caucasian Race-Wars

The break up first of the Russian Empire and then of the Ottoman Empire brought all these three races a chance of survival which they immediately used in fighting among themselves for supremacy.

The First Federation

After the revolution, when Kerensky became the Dictator of Russia in September, 1917, a Council of the Trans-Caucasian peoples was formed at Tiflis. Georgia, Armenia, and Azerbaijan formed themselves into a Trans-Caucasian Federated Republic under the Russian Republic. No common policy, however, could be arrived at by these races. The Armenians were pro-British and anti-Turk, the Tartars pro-Turk, and the Georgians on the fence with one leg in the German camp.

The position was impossible, and the Tartars left the Federation. The Bolshevik coup-d'etat at Petrograd in 1917, and the armistice of Brest Litovsk which ended the war between Germany and Russia, then gave a new and more definite orientation to these three main races in the Caucasus.

Caucasian Races and the Revolution

(a) Tartars.—The Azerbaijan Tartars still sympathised with the Turks. But the Armenian contingents of the Imperial Russian armies that were now returning to Russia, remained at Baku ; and becoming a sort of national army of Armenia associated themselves with the Russian Republic. This recognition by the fighting Armenians that their salvation lay in restoring Russian supremacy in Trans-Caucasia, not only established the Bolshevists at Baku, but put Georgia between two fires. The Armenians were, however, split among themselves—the Armenian contingent and colony in Baku supporting the Bolshevists, while the population of Erivan, the centre of Armenia, supported the Georgian Menshevists, or parliamentary nationalists, in Tiflis.

(b) Georgians.—As the Russian Imperial Armies drifted home the Turkish Armies advanced into Trans-Caucasia to seize the important port of Batoum and the still more important oil reserves in Baku. The Georgian Menshevist Government then called in the Germans, who were not anxious to let their allies secure such an advantage. So Georgia by clever diplomacy got a German guarantee that the Turks should not enter Georgia and Batoum.

(c) Armenians.—The Turkish armies had therefore to advance on Baku through Armenia, with very disastrous results to the Armenians. And, with the help of the Mahomedan mountaineers, they forced the small British force which was holding Baku to evacuate. They, however, obtained the prize too late to make any use of the oil, though they utterly broke the Armenian hold on Baku, massacring some thousands of the colony.

British Occupation

After the Armistice, British forces occupied the Caucasus to maintain order, and Menshevist Governments were established in Azerbaijan, Georgia, and Armenia. But British policy was hopelessly divided between the European point of view held by their commanders in Georgia that believed in backing the Christian nations and the Indian point of view of their commanders in Azerbaijan, who backed a Pan-Islamic combination. Both were, of course, laying heavily against the winners, the Bolshevist Russians. But their different policies sacrificed any possibility of raising either racial or religious opposition to the Bolshevists who were, on their side able to appeal to both sentiments.

Russians Replace British

On the withdrawal of the British Army of occupation in August, 1919, Armenia immediately went to war with the Tartars of Azerbaijan; and the Allied protégé, General Denikin, did not help matters by blockading Georgia.

Moscow on being freed from Denikin at the end of 1919, turned its attention to the Caucasus. It first made peace between Azerbaijan and Armenia. Those two States together with Georgia were then granted full autonomy as independent States subject to certain arrangements as to communications. This cut the ground from under the feet of British bids for the support of these nationalities against Russia. For the Allies had not given the Caucasian nations a formal recognition of independence, as they had put their money on Denikin and a restoration of the Empire. The recognition by the Western Powers given later in January, 1920, had, consequently, little effect.

Bolshevist Revolution in——

(a) **Azerbaijan.**—The first result of this Russian recognition was that Azerbaijan accepted a Bolshevist orientation. In April, 1920, the Bolshevist sympathisers overthrew the Mussovat or Menshevist Baku Government and invited Soviet Russia to occupy their country and keep order. Azerbaijan thus became an independent Bolshevist Republic under the protection of Moscow.

(b) **Armenia.**—Armenia had already fallen out with the Nationalist Turkish Government at Angora over the question of frontiers. In October of 1920 the Turkish Nationalists took the offensive against the Southern frontiers of Armenia. This brought in the Bolshevist Tartars of Azerbaijan to support the Turks by attacking the Armenians on their Eastern frontier.

The Armenian Dashnak or Menshevist Government applied to the Georgian Menshevists for assistance against their common enemies, the Bolshevist Tartars and the Nationalist Turks. The Menshevist Georgians, however, true to their traditions and temperament, refused to help the Armenians. They thereby sealed the fall of their own independent sovereignty. For the Armenians, hopelessly outnumbered, had to surrender at discretion. Moscow intervened

to save what it could. But it was bound to keep the support of Turkey in the fight that the Western Powers were still waging with the Russian revolution, so the Treaty of Kars in November, 1920, surrendered to Turkey, not only Kars but the greater part of Armenia. The Armenian State, restricted practically to the Erivan region, became a Russian dependency, and the Armenian Bolshevists, of whom there were already a considerable number, turned out the Menshevist Nationalist Government. Thus Armenia, like Azerbaijan, became a Sovietist Republic.

(d) **Georgia.**—It soon became evident that a similar fate awaited Menshevist Georgia, which was on bad terms with its Bolshevist neighbours and cutting their communications, including the Batoum pipe-line. Several Bolshevist risings had already taken place in Georgia and had failed. But in February, 1921, a combined attack on the Georgian Menshevist Government was made by Azerbaijan and Armenia with the assistance of Georgian Bolshevists. Soviet Russia disclaimed all complicity, but the extent to which the revolution was from inside or outside is an intricate and very interesting question.* The Georgians tried to get help from Turkey, even offering them the port of Batoum as a consideration. The Turks gave no help, but all the same occupied Batoum. Georgia was in the same hopeless position that Armenia had been in a few months before. But Georgia got out of it much better.

On March 17th, the Georgian Menshevist Government was driven out of Tiflis and obliged to sue for peace, which was arranged by Moscow. The Menshevist Government left for Paris, taking the contents of the treasury with them, and a Sovietist Republic was proclaimed in Georgia. In return Moscow

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* On this point the following evidence is interesting. It was given to the Delegation by one of the Menshevist leaders who fought the Government to the end:—

Mr. BROMLEY: "I want to know, were the Soviet fighting Georgians reinforced by the Red Army in overthrowing the Menshevist Government?"

The WITNESS: "The troops of the Social Democratic (Menshevist) Government consisted of some 13,000 volunteers and 5,000 guards. The troops fighting for the Soviets were about 15,000. It is difficult to say how many of the latter were Russians; but they were chiefly Armenians, Tartars, and Georgians, organised by the Georgian Communists. Their chief was killed in 1922 or 1923 in some part of Georgia. These troops were collected between Tiflis and Mtskhet. Some detachments, numbering 2,000, consisted of Communists exiled by the Menshevists. These exiles got Red Army uniforms and joined the Soviet troops. The fight, anyhow, was so short it would have been impossible to get reinforcements from Moscow in time."

Mr. BROMLEY: "Then it would not be true to say, as has been said in England, that there was a properly constituted Government here, order prevailed, and everything was stable, and that the Red Army marched in and overthrew this stable Government?"

The WITNESS: "I was a member of the Central Committee of the Trade Unions at that time, and we fought all the workers who wanted to turn Bolshevist. The Menshevists destroyed four unions because they would not fight against the Bolshevist leaders. The Menshevists prevented meetings of their own Trade Unions because they feared the Bolshevist influence and power in these unions. After some of this kind of treatment, such workers left and went abroad and formed detachments to fight the Government. The 5th Regiment and 7th Detachment of the People's Guard went over to Bolshevism. A revolt then broke out in one district. A Soviet Government was formed. All this was done by the Georgians themselves, with not one Russian."

persuaded Angora to return Batoum to Georgia, which accordingly suffered little loss of territory.

From the foregoing it is clear that the overthrow of the Menshevist Government of Georgia and the eventual inclusion of that Sovereign State in the Union of Sovietist Republics was not an unprovoked political aggression by Moscow. The "protection" of Georgia had become a prize for which World Powers were competing so as to secure control of the oil and manganese resources. It had become for Georgia a choice between Turkish or Russian occupation, and the Russians gave them back their full territories and a very full autonomy, which they would not have got from the Turks.

Second Trans-Caucasian Federation

The wars between these three States were finally ended in a Trans-Caucasian Federation concluded in March, 1922. This Federation includes :—

1. The Sovietist Socialist Republic of Armenia, with a territory of 34,288 sq. versts, corresponding to the old Russian province of Erivan, excluding the district of Alexandropol ceded to Turkey and Nakitchevan, which by Article III. of the Russo-Turkish Treaty of 16th March, 1921, is an autonomous district attached to Azerbaijan. The population of the Republic is 1,214,591, and its capital, Erivan.

2. The Sovietist Socialist Republic of Azerbaijan, with a territory of 97,297 sq. versts, including the old provinces of Elizabetpol and Baku. Its capital is Baku, and its population about 3,200,000.

3. The Sovietist Socialist Republic of Georgia, including the old provinces of Tiflis and Batoum, with an area of 57,967 sq. versts, a population of 2,372,403, and a capital at Tiflis, which is also the capital of the Federation.

Attached to Georgia are the autonomous Republics of Abkhasia, Adjaria (Batoum), and South Ossyetinia.

The Budget of the Federation is appended to and subsidised by the Union Budget, and each Republic also has its own Budget. That of Georgia has a special status of its own. The status of these Republics in the Union is regulated by treaty, and they have theoretically the right to secede.

To sum up : The formation of the Federation and its inclusion in the Union of Sovietist Socialist Russia seems to have been very beneficial to the peoples of Trans-Caucasia. Politically it has put an end to their internecine wars and given them peace and protection against invasions and interventions. Economically it has secured them the exchange of grain for oil and minerals on which they depend.

CHAPTER II

I—GEORGIA

Georgia Under Bolshevism

The history of Georgia since inclusion in the Union of Sovietist Socialist Russia has been relatively peaceful and prosperous. There seems no doubt that the Menshevist Government represented a political point of view more congenial to the majority of Georgians than the present Bolshevist administration. But there is as little doubt that practically the Menshevists were as great a failure as the Bolshevists have been a success. Jordania, the Menshevist leader, is on record as having said of the financial situation in 1920 : " We are not only approaching a collapse, we are already collapsing." The following figures suggest that the Bolshevist administration has not only stopped the country going downhill, but started it on a pretty steep upgrade.

Economic Development of Georgia

Under the Tsarist régime the industries of Georgia were of no great importance and the policy of the Government was to hinder rather than hasten development, a backward people being more easily handled politically. Under Menshevist rule during the years 1918 to 1921 such industries as there were fell into an almost moribund state, but have greatly improved during the last three years of Soviet Government, as the following figures suggest :

AREA UNDER CULTIVATION.

Tsarist, 1908-15	1,620,000 dessiatines.
Menshevist, 1920	1,270,000 „
Sovietist, 1923	1,800,000 „

RAW SILK PRODUCTION.

Tsarist, 1915	87,000 poods.
Menshevist, 1920	15,000 „
Sovietist, 1923	70,000 „

BORJOM WATER (CAUCASIAN VICHY WATER).

Menshevist, 1920	380,000 quarts.
Sovietist, 1923	1,500,000 „

TOTAL EXPORTS AND IMPORTS.

	Exports.	Imports.
Tsarist, 1913	4,037,000 poods	19,340,000 poods
Menshevist, 1920	903,000 „	3,012,000 „
Sovietist, 1923	12,609,000 „	34,989,000 „

The production of Georgian State industries for 1923 was valued at 7 million gold roubles, about £800,000, in the following percentages :—

Tobacco	49.7
Brandy and Alcohol	8.0
Timber	7.8
Leather	6.6
Oils and Soap	5.2
Plumbago	5.0
Coal	5.0
Metals	4.1
Textiles	2.0
Pottery	2.3
Miscellaneous	4.3
Total	100.00

In spite of the conditions consequent on the war and constant change of government, the production of the nationalised industries have increased by 35 per cent. as compared with 1922.

The total value of all industrial production, both State and privately owned, for 1923 was 9,334,740 gold roubles, an increase of 41 per cent. over the value for 1922.

Unemployment, however, exists, and there are 28,000 registered unemployed, only 4,000 of whom are receiving unemployment pay. On the other hand the industrial workers have doubled in number under Bolshevism—increasing from 50,689 in 1920 to 95,777 in 1923.

During the past two years good progress has been made in education although it does not approach the standard desired or that reached in Russia. Under Menshevist rule there were only 156,600 children at school. With the assistance of the Trade Unions this has now been brought up to 230,000. The teachers who numbered 5,680 in 1920 now number nearly 9,000. Their standard, however, is not as high as is desired. Technical schools have been increased from 5 to 17, and science schools from 9 to 19, and the university students have increased from 2,814 to 4,738. There were formerly 38 public libraries, there are now 157.

The Georgian Government has lately granted an important timber concession to a German Armenian Company. The concession consists of over 320,000 acres on the Black Sea coast on the river Bzib, which includes the construction of light railways. Other similar concessions are under negotiation. A commercial treaty is being negotiated with Persia, which will allow of that country, like Turkey, using the Port of Batoum for transport of her Western trade.

Nationalisation of Land

Over 80 per cent. of the Georgian people are agricultural. Land hunger in a country that cannot, even now, grow its own food was always strong. The claim of the Bolshevists that all achievements in the nationalisation of land

and the breaking up of big estates among the peasantry are due to them and date from the 1921 revolution does not seem justifiable. But it does seem true that their revision of all legislation on the subject by an Act of 6th April, 1921, gave a new impetus, and that not very much had really been done before that. Now about a quarter million dessiatines have been nationalised, of which about 200,000 have been distributed among the poorer peasantry, the remainder being reserved for experimental farms. This is mostly hill land, but does not include the forests, which have been nationalised for the community as a whole.

Success of Bolshevist Regime

Many more figures than the above could be given showing the practical success of the Bolshevist Georgians. But the broad facts are not locally disputed. Last summer, for example, two correspondents arrived with instructions to collect information showing the deterioration of the country under the new régime. Both were honest men. One conscientiously toured the country, writing well-documented articles all proving the contrary, which, of course, never were published. The other, wiser in his generation, enjoyed himself in Tiflis and wrote about the scenery and such sobstuff as he could get about the prisons. And no one who visits the country now and knows what its conditions were can doubt that materially it is prospering as it never did under Menshevist rule.

Insurrections Against Menshevists

In view of the general recognition that the Georgian Bolshevist Government is energetic and efficient, one might have hoped that Georgia would have been content with the measure of self-government it has within the Union, which only falls short of complete sovereignty. But intrigue and insurrection are inbred in the Trans-Caucasian races. During the four years of Menshevist rule there were no less than eight insurrections, which secured for a short time control in certain localities, besides smaller unsuccessful risings. These insurrections were in the Mingrelian, Letchkuma, Ratchinsky, Dushetsky, Sharabanski, and Borchalinsky districts; also in South Ossetia, Abkhasia, Gouria and Old Georgia. There was also trouble owing to Georgian frontier districts supporting the neighbouring Sovietist Republics of Armenia and Georgia during the military operations of the Georgian Menshevists against them. This went so far in some cases as the formation of armed bands to co-operate with Armenia and Azerbaijan.

The Menshevist Opposition

One of the first acts of the Bolshevist Government had been to issue a decree legalising all parties who would renounce armed action and act as a constitutional opposition. But this offer, no doubt naturally enough, was not accepted by the Menshevists. Their leaders in Paris continued to keep their followers in Georgia on a footing of conspiracy against the new Soviet State.

For this attack on what was represented as an alien oppression of Georgia and an autocratic suppression of a democracy, they secured the support even of foreign Labour organisations. They were also supported by foreign political parties antagonistic to Russia and associated with the Russian emigrés, as well as by financial and commercial combines interested in the oil and manganese wealth of these regions. It is surprising that such a combination of moral forces and material factors should not have produced more trouble than it did to the Georgian Soviet State, and the combination undoubtedly caused great apprehension in Moscow as to another intervention for the overthrowing of the Soviet system and occupation of the oilfields.

Insurrection against Bolshevists

Local risings broke out on August 28th last in remote regions—the Senostski, Tzurgetski, Sugdetski, and Cherabanski districts and the Shiaturi manganese mines. The movement lost momentum within three days and was all over in the course of the first week in September. The risings were local affairs, and the local supporters of the Government for the most part suppressed them without the aid of the Georgian militia, which was mainly used for rounding up wandering bands. The Red Army garrison seems scarcely to have been engaged. Little disturbance was caused, but the loss of life was disproportionately heavy. The shooting by the Menshevists of 18 hostages exasperated the Bolshevists. The worst stories refer to those days of guerilla in remote villages, which was ruthless, as it always is in these regions. It is impossible to get reliable information as to the number of lives lost, but 3,000 is probably a fair guess.

Character of the Insurrection

It does not seem true, as is asserted by the more enthusiastic and less intelligent Georgian Bolshevists, that the insurgents were entirely Tsarist officers and nobles with their feudal retainers out to get back the land, and mountain banditti out for loot. These elements were prominent, but it also was a real appeal to a national sentiment that could not be satisfied, as such sentiment elsewhere is in the Union, with anything short of complete sovereignty. The insurrection probably had the sympathy of a majority of Georgians, and would have had their support had it succeeded. But it never had any chance of success.

Such support as it had was got largely on false pretences. The procedure was for the leader in any village to let local supporters listen to a telephone conversation with an accomplice in Batoum or Baku, in which information was given as to an Allied naval squadron said to be operating in the Black Sea and a British Indian expedition said to be embarking on the Caspian. These lies were readily believed in view of the recent British and French occupation, the expressions of sympathy given by French and British political leaders when visiting the Menshevist Government, the intrigues of

secret agents during the summer, and the notorious disputes of the great oil interests and of the British and French manganese enterprises with Moscow. Thus the insurgent workmen in the manganese mines welcomed the first Government aeroplanes from Tiflis under the impression they were those of a French force. And as soon as the fraud was discovered of course all faith was lost in the movement.

Cause of Collapse

But if this want of foreign support had been the only cause of failure it would not have collapsed so completely. The real cause of failure was that there is in Georgia no active discontent with the Soviet system, only a certain discomfort under it and a dislike of its Russian connections. Moreover, Georgia is inhabited by many other races than Georgians, and these, such as the Adjars at Batoum, had no intention of losing the Home Rule they enjoy as an Autonomous Republic within the Georgian Republic, the Trans-Caucasian Federation, and the Union. They supported the Tiflis Government, and would have joined, if necessary, in suppressing the risings. As would the other races enjoying Home Rule.*

Political Effect of the Insurrections

This sacrifice of brave followers who took the field with swords and pistols against machine guns, by leaders living comfortably in Paris, has for the time being killed the Menshevist cause in Georgia. The party was in course of formal and final dissolution when the Delegation arrived in Tiflis.

The bulk of its leaders have accepted the authority of the present Government, some even taking service with it. In the course of a long conversation with these Menshevist ex-rebels many hard things and home truths were said by them about the part played by all British parties in respect of Georgia, culminating in this year's catastrophe.

Menshevist Party Dissolved

The Menshevist or Social Democratic Party at one time included a very large majority of the politically conscious population. The upper classes in Georgia under Tsarism had been more inclined to socialism and democracy than anywhere else in the Empire. With power put in its hands by the Revolution the party membership grew to 60,000, and with supporters could count on a vote of 80,000, the active membership being about 15,000.

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* On this point, the following evidence, given to the Delegation by one who was a Menshevist leader, is of interest :—

"During the Menshevist rule all non-Georgian members of the population were severely kept under. Armenians, Russians, Ossetinians, Tartars, etc., to escape from the Menshevist rule went out of Georgia, and formed detachments against the Menshevist Government. The Russians, in Red Army uniform, found fighting against Menshevist rule were Georgian natives who had suffered under Menshevist rule."

With loss of power in 1921 the party rapidly fell in numbers and divided into a " constitutional " opposition and an " illegal " organisation. And the position of the " constitutional " opposition became more and more impossible between the Bolshevist Government and their " illegal " colleagues; so that the question of voluntarily liquidating the party gained favour. In the autumn of 1923 a party Congress representing 12,000 members voted by majority in favour of liquidation, an example followed by the Young Marxians with 5,000 members. A minority of Constitutionalists decided to carry on. But after the collapse of the insurrection there has been a final liquidation of the constitutional Menshevists, who have either become Communists or as non-partisans co-operate with them, as elsewhere in Russia. There remains a residuum of " illegal " Menshevists of not more than 2,000 members, who continue to conspire with the help of the Menshevist emigrés.*

Elections

The elections are conducted by show of hands as elsewhere in Russia, and what is said in the report on Russia about them is applicable to

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* On this point an extract is given from the shorthand report of evidence given to the Delegation by a Menshevist, who opposed Bolshevism until last autumn.

" At the present time the position of the members of the Menshevist Party is this—the leaders are remote from the working class, and do not realise what has been happening in Georgia. They continually assured the peasants and workers that the Soviet power in Russia was very temporary. Each day they said it could last only one day more. And when it didn't fall they said it would last only another week, and when the week was over they said it would last only another month, and finally it became years, and still the Soviet power in Russia lasted. The reason the Georgian Menshevists kept on working so long was because they were relying on foreign help. They believed that any minute the Soviet power in Russia would fall, and then Georgia would be in the power of the foreign capitalist States. And they preferred an independent State under the protection of foreign countries. The Menshevists were afraid that they would lose all they had gained by the February Revolution if they allied themselves with the Soviet Government and relied on the Russian workers instead of on foreign Governments. The Committee abroad was receiving help from foreign Powers. The Committee in Georgia, which is now liquidating the party, is sending a special Commission abroad to Comrade Jordania to ask him to refrain from destructive agitation and to co-operate with the Soviets."

Mr. PURCELL: " When was Jordania elected for the last time to represent Georgia in the Second International; when was the last time that Georgia paid affiliation dues to the Second International; and who authorised the Second International to raise the question of Georgia with the League of Nations? "

The WITNESS: " Jordania has never been elected to represent the Menshevist Party in the Second International. Four members were delegated in 1918 by the Central Committee—Tseretelli, Akhmedishvili, Tchkhelli, and Tcheidze—to serve as a liaison between the Second International and the Central Committee. No elections since that time have taken place. The last time affiliation fees were paid was in 1920.

" While I was a member of the Central Committee it never did anything to raise the question of Georgia in the League of Nations. The 'illegal' Central Committee asked Jordania to raise the question in the League of Nations, but no one here and no one on the Presidium in Georgia ever authorised such an act. The question was not even discussed by the real Central Committee of the Party."

Georgia. With the addition that, no doubt, in Georgia fear of another race and a ruling class, and above all, of the Tcheka does count for a good deal. Under Menshevist rule the average attendance at elections was about two-thirds of the electorate. It now seems to be about three-quarters. The disfranchisements under the Soviet system are about 2 per cent. And if the elections were a mere farce, it is difficult to see why they should be so well attended.

The Tcheka

The least satisfactory feature of the Trans-Caucasian situation is the maintenance there of the " Tcheka " or Extraordinary Commission abolished in Russia itself at the close of the civil wars. There is a Trans-Caucasian Tcheka for the whole Federation, and under it a Georgian Tcheka run by Georgian Bolshevists. Moscow disclaims any responsibility for either, but the Trans-Caucasian Tcheka was not long ago in charge of the man who ran the Russian Tcheka during its greatest activity. It is the Georgian Tcheka that has been " liquidating " the August insurrection and that is responsible for the numerous executions and exiles. The severity of the suppression of a revolt that was never formidable is justified by Tchekist officials with the arguments usual in such cases. And these severities have been so exaggerated and embroidered that it is almost impossible to arrive at any real facts from opponents of the Government with which to check official information. Some of these stories were inquired into, but no real evidence could be got of wholesale terrorism. Since the fighting finished there is a discrimination between those responsible and the ignorant; and there seems no reason to suppose that the innocent are suffering. But undoubtedly the name of Tcheka alone would create an atmosphere of terrorism.

Army

As a National Republic incorporated in the Union, Georgia has its own army or militia. This has been overlooked, partly because the uniform of the infantry is the same as that of the Red (Union) Army—though the cavalry has a uniform of its own.

As to the total strength of the troops in the Caucasus, the authorities were naturally reticent for reasons of foreign policy. But it was not difficult to ascertain that it was less than half that of the Tsarist garrison. The Red Army in Georgia is less than the British Army of occupation, and is on better terms with the population. The Caucasus is one of the very few places abroad where stories are told of misbehaviour of British troops; and though no doubt untrue this shows the temper of the population to that occupation and to occupations in general.

Georgian Language and Customs

An unmixed asset accruing from the present position is the complete cultural liberty enjoyed by Georgia after a century during which its language

and literature were practically proscribed. The Delegation attended some very interesting plays in the national language, in which Tsarist Russia was mercilessly guyed. The publication of books in the Georgian language has gone up. Under three years of Menshevism altogether, 162 Georgian books were published. Under three years of Bolshevism, 505 books were published by the Commissariat of Education alone. Moreover, there were published ten Armenian, seven Turkish, and ten other books in minority languages, as against four only under Menshevism. The total copies issued under Menshevism were 405,000; under Bolshevism, 3,500,000. In other words, there has been a great impetus to national culture.

The Delegation in Georgia

This was the situation on the arrival of the Delegation in Trans-Caucasia. And even before leaving Moscow it was evident that the atmosphere in Trans-Caucasia would be different from that in the rest of Russia; more resembling, in fact, in its unrest that which was found in Russia in 1920. For example, the Delegation was warned that the Union Government would not be responsible for the safety in Trans-Caucasia of one of the advisory delegates who had been associated in an official capacity with the British armed occupations. But the delegate in question was prepared to take the risk, and the Delegation did not wish to lose the advantage which his exceptional local knowledge and personal connections afforded them in arriving at a just estimate of the situation. On arrival in the Caucasus this delegate moved freely among his former acquaintances without interference and without untoward results.

During their stay in Tiflis delegates were constantly receiving communication from the " illegal " Menshevist organisation. Most of these were found to be of no value. One of them, however, contained a statement that a porter of the hotel and a servant there had been arrested for trying to convey a Menshevist letter to the Delegation. The Delegation having ascertained that this was so, the Chairman, accompanied by two advisory delegates, visited the Georgian Tcheka and without great difficulty secured the release of these men. This was the only incident of the kind. And members of the Delegation in Tiflis, as elsewhere, visited persons of every point of view without obstacle or observation.

The Tiflis Citadel

Most of the lurid stories circulating in the Georgian capital have their scene in the citadel. This mediæval fortress is perched on precipitous rocks over the gorge of the Koura. It is the political prison, garrisoned by Russian troops, where several hundred prisoners were still awaiting trial for participation in the insurrection. Daily executions were said to be still taking place there, and undoubtedly convicts were still being sent thence to prison camps in Siberia.

The advisory delegates took an early opportunity of visiting the citadel without notice and unaccompanied. On the bridge over the gorge they were warned by a passer-by not to point at the scenery or loiter, as the sentinels shot at everyone supposed to be signalling to the prisoners. They penetrated, however, without difficulty into the interior of the citadel and talked to the young Red Army guards. These did not know who they were talking to, and described with great freedom all the doings in the prison. In no country are such doings pleasant and each country thinks those of another worse than its own. It will be enough to say that the sensational stories circulating in Tiflis were clearly untrue. They then asked to see the political prisoners. This rather cool request led to the Governor being fetched up from the town, who explained that this could not be done without a governmental order. As a visit to the " politicals' " quarters under such conditions would be of no particular interest the matter was not pursued further.

Delegation's Reception

The reception given to the delegates and the numbers that marched in the public processions convinced them that a large proportion of the industrial population of the capital were enthusiastic supporters of the present Government. The situation in Georgia, in fact, seems to be essentially the same as in Azerbaijan and Armenia—that is, a majority of the industrial workers with a nucleus of Russians are prepared to lay down their lives for the present Government. The small minority that remains in opposition are not now prepared to lay down their lives to overthrow it.

Delegation's Recommendations

On its return to Moscow the Delegation put before the Union Government its view on the Georgian situation. It pointed out the great advantage that would accrue to the prestige of the Union of Sovietist Socialist Republics if the " Tcheka " were now abolished in Georgia as elsewhere and the Red Army withdrawn, say, to Baku—Georgia being left to its local militia like other Autonomous Republics. This was fully admitted, and it was indicated in reply that these two measures were only a question of time. In fact, that in the interests of economy it had been suggested to the Trans-Caucasian Federation that the Red Army should be withdrawn, but they had asked that it should be left until the situation was clearer. As to the " Tcheka," it was pointed out that it was not only a question of the internal position in Georgia, but of the international situation also. The Caucasus under Tsarism was garrisoned by a very large force. It was now practically held by local militia, but was still an object of foreign intrigue, and might possibly become an objective of foreign intervention. The frustration of such intrigues in the interests of peace required special precautions.

In fact, the Delegation was left with the impression that adoption of the two measures recommended depended mainly on the international situation.

General Conclusion

The mediæval independence of Georgia has never been forgotten by its people, and in spite of compulsory incorporation in the Russian Empire for over a century, they continued to struggle for full sovereignty.

While the time at the disposal of the Delegation did not make it possible for extensive inquiries, the conclusion reached by the Delegation as to the Georgian situation was that for the Georgian workpeople the advantages of inclusion in the Union were many, among them the assurance it gave them of peace and prosperity. The guarantee secured of peaceful enjoyment of a "Dominion" autonomy only falls short of complete sovereignty. The practical advantages of inclusion in the Union might be considered on material grounds as outweighing the disadvantages.

With respect to the national minorities in Georgia there can be no doubt at all that the present system by which they secure Home Rule gives the best practical possibility of satisfactorily securing their lives and liberties.

Finally, that it is in the interests of the workers and peasants of Caucasia and of the world that the inclusion of the Trans-Caucasian Federation in the Union of Socialist Russia should continue, and that the Caucasus should not again become the scene of rival military occupations and race wars.

HERBERT SMITH.
BEN TILLETT.
JOHN TURNER.
JOHN BROMLEY.
ALAN FINDLAY.
ALBERT PURCELL (Chairman).
FRED BRAMLEY (Secretary).

HAROLD GRENFELL.
A. R. MCDONELL.
GEORGE YOUNG.

CHAPTER III

ARMENIA

The Delegation did not have time to visit the neighbouring Republic of Armenia, and therefore does not report on it. But it is in possession of information from various sources showing that this State has made even more remarkable progress than Georgia and Azerbaijan. The Soviet social system seems to have been accepted whole-heartedly by the Armenians, and this very industrious and intelligent race is making full use of the liberty the Union Constitution gives to national culture and the help it gives to economic development.

The Union of Sovietist Socialist Republics can justly be proud of the work that is being done in saving the relics of this most ancient and oppressed of the Christian races, for whose fate Western Europe and North America have so melancholy a responsibility. And it is pleasant to note that the British people are joining with the Russians in this humane undertaking. The 10,000 and more Armenian refugees now being forced to leave Greece can be received by the Armenian Republic—which has already provided for 300,000 refugees—if £20 a head be subscribed for transport and settlement. And it is much to be hoped that Great Britain will by providing this money make a small recognition of the Treaty responsibilities it has repeatedly undertaken in respect of this long-suffering race.

CHAPTER IV

AZERBAIJAN

The Delegation visited Baku, the capital of the Mahomedan Republic of Azerbaijan and the centre of the Caucasian oilfields.

Changes in Baku

In outward appearance there is a considerable improvement in the town itself. The old horse trams have been replaced by a very extensive system of electric tramways, which connect all parts of the town with the Bibie Eybat oilfields and the refining districts outside the town itself. Large spaces of waste ground have been planted with shrubs and trees and utilised as public gardens. Most of the houses are stone built, therefore the necessity of a coat of paint is not so obvious in the general appearance of the town as elsewhere in Russia.

It was, however, in the population itself that the transformation was most surprising. Formerly in Baku large fortunes were amassed or lost several times in a generation. Huge sums were spent on dress, entertainment, and gambling. At the same time Baku was socially as democratic as any town in Europe. Social distinctions among the middle class hardly existed at all. Nobody knew whether a millionaire might not be living on credit to-morrow or a beggar be driving in his own motor-car in the following week. Two of Baku's greatest millionaires had never taken the trouble to learn to read or write. For this reason perhaps their wealth did not create so much hatred, envy, and malice as elsewhere.

The visitor who had known the city before might, therefore, have expected to find some remnants of the wealthy and middle class, especially among the Mahomedan Tartar population: their elimination, however, appears to have been complete. There also appears to have been less resistance on the part of the Tartars to the advent of the Soviets than in any other part of the Caucasus. Several Tartar millionaires were quietly deposed. Some resisted and were killed. Those who fled the country appear to have been comparatively few in number. A few who were too old to work were granted a pension and allowed to retire to small but comfortable quarters in the villages, while some, regardless of their political colour, were granted posts in the various Government Departments. Many of the wealthy Armenians and Russians had already disappeared prior to the establishment of Soviet rule, but several still remain in high administrative posts,

either as specialists in the Oil Department of Aznepht or in the Government itself.

The "26 Commissars"

The Delegation visited the Liberty Square, formerly a large plot of waste ground which has now been laid out as a public garden. At one end of the square is a monument to the 26 Baku Commissars who were murdered by the Menshevists at Kizil Avat in Transcaspia. The bodies have now been brought from their former place of burial and re-interred in the centre of this square.

Members of the Delegation were profoundly shocked to learn that the massacre of these 26 unarmed prisoners, which has now become one of the principal historic features of the Russian Revolution in the Caucasus, is attributed to instructions given by certain officers in command of the British Forces at that time operating in North Persia and the Caucasus. Since returning to England the Delegation has made careful inquiry into this incident and finds that the evidence entirely exonerates the British Forces and their officers.

In view of the fact that these accusations are generally believed throughout the whole of Russia, the Delegation is of the opinion that the matter should be definitely cleared up by a joint inquiry.

The Oilfields

Both the Grozny oilfield and Baku oilfields were a great object lesson to the Delegation, not only as regards the possibilities under a scheme of nationalisation, but as tending to disprove the statement that Russia's need of funds is seriously affecting her economic stability.

It was evident to the most casual observer of the works and of the production returns which were seen by the Delegation that vast sums of money could immediately be obtained from the industry by curtailing capital expenditure and putting in cheaper and less durable work.

Nevertheless the Soviet Government has no intention of exploiting a paying industry to the detriment of the workers or the future of the industry itself; but, on the contrary, has consented to a programme of progressive capital expenditure, both in housing and industrial development, which is to be covered by the increasing revenue received. The results of the reconstruction of the oil industry by the Soviet Government are dealt with in detail in the following section.

PART II

SPECIAL INDUSTRIES AND INSTITUTIONS

I.—Visit to Baku Oilfields

The Delegation, while in Baku, paid a visit to the oilfields and the Refineries.

The main Baku oilfields consist of two areas, the larger and older fields are at Balachani, situated some twelve miles from the town: the smaller and more recent fields known as Bibie Eybat are on the out skirts of the town itself. Formerly, when under private ownership, these fields were divided into plots of 20 or 30 acres, most of which were worked as small units, the power used being usually steam or internal combustion engines.

Now, by means of nationalisation, all the great projects for the electrification of the whole oilfield, and the concentration of the industry, which have been talked of for the last 15 years, are practically completed.

The large electric power station, which formerly provided power for lighting the town and oilfields and for driving machinery on the properties of those who found it more econmical to pay the tariff charged than to use their own power, has now been extended and its output increased. By this means electric power is used all over the Bibie Eybat field, and the complete electrification of the Balachani fields is well advanced. Further extension of the power-houses is still in progress, and a new battery of six Babcocks-Wilcox boilers is in the course of erection at the large station in the refinery town.

As a result of this centralisation of power, an enormous economy both in fuel (about 15,000 tons) and of labour has been affected, and both town and oilfields are better lighted. Another economy is the construction of a series of new pipe lines around the bay connecting the Bibie Eybat oilfield with the refineries. The Bibie Eybat oil was formerly pumped into barges and towed across the bay to the refineries. These pipe lines total in measurement over 18 miles..

The general system now followed in working these oilfields is to treat them as one huge concern. Light railways to a total length of over 120 versts have been built to connect both the Balachani and Bibie Eybat oilfields with

large central warehouses and stores from which all material for the fields is delivered. This light railway system is now carrying 300,000 tons of material a month for distribution to various points on the fields. All the large workshops, machine shops, boiler works, wire rope works, tube factories, etc., have also been reorganised in various centres, and are connected with the fields by these railways or good roads over which motor lorries and tractors can travel.

The centralisation of the industry has in a great measure enabled the experts to cope with the serious question of the flooding of the oil strata with water. A special Commission has been formed for dealing with prospecting and trial borings which are being put down in all likely localities.

The whole scheme of centralisation and electrification follows very much the same lines as those worked out by the expert Commission some time before the war; but which was found impossible of realisation owing to the conflicting interests of private enterprise. It is now considered that half the scheme is complete, but another 30 millions of roubles is required for its total realisation.

Production

During the last three years more energy has been expended on this great centralisation scheme than on actually increasing the production of crude oil. In 1921 the gross production of the Baku fields had fallen to 157 million poods as compared with 468 million in 1913. In 1922 it rose to 212.6 million poods, and in 1923 it had already risen to over 250 millions. A further increase of 20 per cent. is expected from this year. The old form of baling the well with a baling bucket and drum is being eliminated wherever possible, and the American pumping system is being very largely used. In 1921 production received from gushers amounted to 10 per cent. of the total gross production, and in 1923 to 15 million poods, or 7 per cent. of production.

Drilling

It is only by fresh borings that production on an oilfield can be maintained or increased. In 1913, 76,938 sajens were drilled. Owing to the difficulty of obtaining labour and material, this fell during the war to 32,430 sajens in 1917. During the revolutionary period in 1919, only 5,000 sajens were drilled of the whole Baku fields. Very much the same was the case in 1921-22 when 7,000 sajens were registered. In 1923, however, when the new organisation was already in working order, the amount of new borings was increased to 23,661 sajens. It is estimated that 40,000 sajens will be completed by the end of the current year. From this increased drilling activity a marked increase of production is expected over the year 1925.

Refining

Of the 33 refineries in the Baku area, 14 of the largest and most up-to-date are working at full pressure. A considerable amount of capital expenditure has been effected in these refineries and the plant wherever possible has been improved. In 1923, only 126,615,358 poods of crude oil were driven over the stills. The proportion of products received was as follows:—

Illuminating oils	22.39	per cent.
Lubricants	6.32	„
Solar	10.30	„
Benzine	.42	„
Gasoline	1.08	„
Mazout	57.74	„
Special products	.36	„
Lost in distillation	1.39	„
	100.00	„

Exports

Export of products from Russia is confined to illuminating oils, lubricants, solar oil, and benzines. Five and a-half million poods of kerosene, two million poods of lubricants, one and a-half million poods of solar were shipped to Turkey and Europe in 1923. Figures for 1924 are not yet available, but no great increase is expected, as the requirements of liquid fuel in Russia still exceed the output.

Shipping

Owing to the events during the war and the Revolution shipping on the Caspian Sea suffered very considerably. At the present time the oil transport fleet consists of six Diesel driven tankers, with a capacity of 808,000 poods, 52 tank steamers, with a carrying capacity of 3,775,000 poods, and 14 schooners, with a capacity of 1,075,000 poods.

Finance

At the time of the nationalisation of the oilfields the total amount of cash in hand at Baku was 59,000,000 gold roubles, and the workers were already in arrears of pay. Consequently the industry had to borrow very heavily from the central authorities in order to fulfil the programme of centralisation and electrification of the fields.

Now, however, the industry receives no subsidy from the State; and the whole of this capital expenditure is being paid for out of revenue. Last year the industry was able to pay 24 millions in taxation to the central Government and 700,000 roubles towards the electrification of the town tramways.

The accounts and balance sheet for the financial year, which ends on 1st October, are not yet available, but it is not expected that the industry

will be on a profit-earning basis for another two years, when the effect of the intensive drilling programme will be realised and the expenditure on reconstruction cease.

Labour

As may be imagined, the intensive activity on the reconstruction has called for an increase in labour. Whereas in 1914 48,000 men were employed producing nearly 500 million poods, the same amount of labour has been required in 1923 to produce less than half that quantity. Owing to the general conditions in Russia and the increased demand for skilled labour on the Baku fields consequent on more scientific methods of production, a very considerable change has taken place in the composition of the labour. Whereas in 1913 the labour employed on the oilfields was composed as follows:—

Persians	28	per cent.
Armenians	20.3	,,
Russians	24.2	,,
Georgians	8.8	,,
Azerbaijanese	8.9	,,
Jews	1.0	,,

it is now—

Russians	42.0	,,
Persians	20.4	,,
Armenians	12.6	,,
Azerbaijanese	13.9	,,
Jews	.3	,,

Of these different nationalities, 79 per cent. of the Russians are employed as industrial workers and 21 per cent. in administrative positions. Most of the industrial workers are, therefore, Russians. Of the 50,000 workers 52 per cent. are employed in production of oil—that is, baling or pumping 16 per cent. on drilling rigs, 9.9 per cent. refineries, 2.9 in storage depots, 6.9 per cent. in power stations, 1.9 per cent. sweepers and cleaners, etc., 3.9 per cent. transport, 2.2 per cent. schools and hospitals, and 2 per cent. in the supply department.

The workers are paid a monthly, and in some cases a daily wage. The average monthly work per man is 21.4 days a month, with 40 hours overtime. According to local regulations, which are confirmed by the collective agreement of the All-Russian Miners' Union, the workers and employees are divided into 17 categories or classes. The wages are paid according to the category of work into which the worker falls. Category No. 1 consists of unskilled labourers such as yardmen, street cleaners, and porters; the highest category, No. 17, consists of head bookkeepers, office superintendents, managers, etc. There are further classes consisting of five categories of specialists such as engineers, skilled chemists, and the

secretarial staff, dealing with finance and confidential information. The pay of the lowest category of ordinary worker varies from 20 to 30 roubles a month, rising gradually through all the grades up to 200 roubles a month for 17th category; specialists receive very much higher salaries.

The working day for industrial workers consists of seven hours in the dayshift and six hours at night, with a six-hour day on Saturday and on the eve of every public holiday. Workers in offices work one hour longer than the industrial worker. Overtime is paid at the rate of one and a-half times for the first two hours and double wages for every subsequent hour. Work on public holidays or Sunday is paid for at double rates.

Public holidays are as follows:—

Ten public State holidays at various dates commemorating revolutionary events. These are public holidays throughout the land.

Eight religious holidays of the Christian Church, which include two days at Christmas and two days at Easter. All who work on these days, regardless of faith or nationality, receive double pay.

Apart from the above, there are nine Mahomedan feast days and seven Jewish holidays, when it is not obligatory for either a Mahomedan or Jew to come to work. Any Mahomedan or Jew working on any of these days receives double pay.

Workers and employees are engaged through the Labour Exchange after notification and confirmation by the factory committee of workers. Unemployed members of the Trade Unions have preference in all cases.

A worker receives two weeks' notice of discharge and half a month's pay. In the event of his being discharged without notice he receives a full month's pay. Should he have worked continuously for three years he receives an extra fortnight's wages and a full month's pay in the event of his having completed five years' service.

Each worker or employee who has completed five and a-half months' service becomes eligible for a fortnight's yearly holiday on full pay. Should he have to travel any distance to his home the time occupied on the journey, should it occupy not more than one week, is not counted as leave time. During the time of travel, however, he does not receive pay, but 50 per cent. of his journey money up to 1,500 versts within the confines of the U.S.S.R. is paid for him; on the remaining 50 per cent. he receives a rebate according to the category in which he is placed. He has the right to accumulate leave for two years.

A worker who lives outside the region of his work and has to travel by train or tram receives his journey money.

Over and above the minimum wage the worker has certain privileges such as rates for piecework, extra compensation for working on holidays, overtime, and money for clothing provided by the undertaking. In this

manner, on an average the workers employed on the production side of the oil industry increase their yearly wage by 54½ per cent. A driller is paid foot money, which enables him to increase his yearly wage by 114½ per cent. Men employed on storage tanks can increase their wages by 48½ per cent. Employees in the offices, clerks, etc., are able to increase their salary by 15 per cent.

In the event of the death of a worker, his family receives two months' pay from the date of his death. If his death occurs whilst at work, or as a consequence of his work, the family receives four months' pay. All medical aid and hospital treatment is given to the worker free of charge. In the event of destruction of a worker's clothes or property through fire or while performing certain classes of work, he receives full compensation either in kind or cash.

Wherever possible the worker receives free quarters with heating, water, and light in the neighbourhood of his work. In the event of quarters being unavailable, he receives rent money to the value of 10 per cent. for a bachelor and 20 per cent. for a family man of the wages paid. The industry and Trade Unions carry all the expenses entailed in the upkeep of the necessary schools, clubs, etc. These consist of the usual institutions and organisations found all over the industrial areas in Russia at the present time. In Baku, owing to the conditions and the class of worker employed, they are not at present quite up to the standard of those found in other large centres. The technical schools, however, at which the worker can learn the more advanced stages of his trade, are very well equipped, and a great deal of trouble has been taken over them.

The usual regulations regarding childhood and motherhood welfare are enforced on the oilfields as elsewhere in Russia.

At the village of Mardakhan, about eight miles from the Balachani Fields, a sanatorium and rest house has been organised for the workers, as well as a similar institution in the refinery town at Baku.

Housing

Housing accommodation on the oilfields, where land is extremely valuable, has always been a very serious question, and in this respect the position of the workers was in many ways worse than in any other parts of Russia. Men were herded together in large barracks with very little accommodation and sanitary arrangements. This has been taken seriously in hand, but the improvement can only be gradual. A garden city, consisting of some 60 or 70 houses, has been built outside the Balachani fields. Twenty-five large buildings are in the process of erection on the hills surrounding the Bibi Eybat Field. A great many of the old barrack accommodation have been destroyed, and 3,000 houses have been repaired. The position, however, still leaves a great deal to be desired. At present, 22 per cent. of the working population live in the town, 12.7 per cent. at

the refineries, 55 per cent. on the oilfields, and the rest in their own native houses in villages round about Baku.

II.—A Visit to the Grosny Oilfields

While in the Caucasus the Delegation visited Grosny. It found that housing under the Soviet Government compared well with the dilapidated and insanitary housing of workers under private enterprise. Under the old system most of the workers had only one room to live and sleep in. Under the new system they have a living room, 15ft. by 15ft., a kitchen 12ft. by 10ft., bedroom 12ft. by 12ft., bathroom 6ft. by 5ft., and a separate water closet 6ft. by 3ft.; the height of the rooms is 11ft. 8ins. Such a dwelling accommodates a man and wife and three children. Its construction is of brick, with a tiled roof; these houses are in blocks of four, standing in about ¼-acre of ground. Heating, electric light, and water are supplied free, and the workers on this oilfield pay no rent.

The scale of wages is the same as on the Baku oilfields, but the conditions of life are better, owing to the surroundings. Women are paid the same wage as adult male workers.

This field is of later origin than the Baku fields, and is situated some distance from the town and the railway. The roads are in a bad condition and transport difficult. However, the lay-out of the field under the new system has proved simpler than in Baku, as more free space is available.

The production from gushers has considerably decreased. With the systematic working of the fields, especially of the new area, however, the production received from pumping and baling has improved considerably as the effect of increased activity in drilling, and as the results of improvements in centralisation which have been carried out during the last two years.

During the year 1923, 18,500 sajens were drilled, and 96½ millions of poods of oil received. The production for the year 1924 is 103 millions, and 30,000 sajens have been drilled; the estimated production for next year is 120 million poods.

From this field a particularly high quality of benzine (petrol) is obtained, of which six million poods were produced in 1923 and ten million poods in 1924. The estimated production of this product from 1925 is 15 million poods.

The financial outlook of these fields is most satisfactory. The expenditure for 1924, which includes all capital expenditure on housing and reconstruction, was entirely covered by sales of oil during the year. The expenditure for 1925 is estimated at £4,500,000, and for 1926, £6,000,000; at the normal rate of increase in production and drilling activity, this should be fully covered. The facilities for exporting products both as regards their transport and freight charges will be very considerable when the construction of the pipe line to Novorossisk on the Black Sea has been completed. This work is already in hand.

III.—Visit to Baku Co-operatives

While at Baku the Delegation had the opportunity of visiting the miners' wholesale co-operative store. This store, which was only established a few years ago, is in the form of a long goods shed with a bank for delivery and despatch. It is divided into departments for grocery, drapery, etc. Everything was very simply arranged, and the warehousmen are able to take from the shelves goods required by the different branch stores.

There are three co-operative societies in Baku. The Central, the Miners' (already mentioned), and the "Azerbaijan," which supplies the outlying villages. Each society has a wholesale warehouse, and altogether there are 100 branch stores in the city.

The first co-operative formed in Baku was in 1914. At one branch store visited, 5,000 grocery customers are served daily and other customers proportionately. In the city of Baku there are altogether 150,000 members of the various co-operative societies. This rapidly-growing Co-operative Movement is easily accounted for by the very primitive condition of a very large number of small private shops. The private shops are very unclean, the goods displayed in a most disorderly fashion, and very dirty. Of the goods sold by all retail stores, 75 per cent. is procured through the wholesale co-operative society and 25 per cent. is bought privately. It is claimed that these co-operative societies have kept down the prices, and are so able to compete with the private trader.

It was found to be one of the conditions of employment at co-operative stores was that the employee must be a member of the union. As none of the branch stores in Baku employ more than 50 employees, there are no shop committees. A delegate, however, is appointed whose duty it is to collect the contributions of the members. A general committee of the union carries on the work.

The impression made on the Delegation was that the co-operative societies are steadily ousting the private traders, and that the consequent benefit to the public both as regards price and cleanliness is undoubted.

IV.—Visit to Tiflis Co-operatives

At Tiflis a visit was paid to the office of the All-Russian Union of Soviet and Commercial Employees at the Palace of Labour. The Delegation saw one of the numerous clubs established for the recreation of the members, also a school for the children of the members of the Trade Union. The children from 14 to 18 years of age are boarded and lodged, and there were 200 scholars. There is a labour law that no child should be allowed to work till 14 years of age, and then only for four hours a day till they are 16. The Delegation was informed that unfortunately the law with respect to young children is not regularly enforced, and that many children

are still employed from 7 to 8 years of age, though this, strictly speaking, is illegal. There is at present no general compulsory education, since the authorities have not the means to provide schools or teaching for all the children. It is this fact which makes the schools opened by the Trade Unions of such importance, since they are providing for the children of the members who otherwise would not be able to get these educational facilities. The Union also has a typewriting school, which was visited. Here, again, no fee is charged for teaching, and there are four relays of scholars during the day.

In the summer time boating and all kinds of sports are provided free to all members of the Union. Arrangements were made for a visit to a number of co-operative and private stores. The United Workers' Co-operative Society has over a hundred stores in Tiflis and a membership of 20,000. At one store visited over 3,000 customers are served daily. In addition to the United Workers' Co-operative Society there is a military co-operative store with 5,000 members; the Transport Workers' Union also has a co-operative store with 11,519 members.

There are two large agricultural co-operative societies, one for purchasing machinery, seed, manures, and all the accessories for peasant farming; and the other for retail supply of all the domestic requirements. These societies have about 3,000 members. There is also a small general co-operative society with about 3,000 members.

A visit was paid to the Central Office of the United Workers' Co-operative Society. This society has a general committee of 15 members, three of whom are experts. From this body an executive committee of five is chosen, three ordinary members and two experts. By experts is meant in this case the heads of the banking and finance departments. The society was started in 1921 with a very small entrance fee. This has now been raised to 5 roubles; the membership has reached 20,000 and is rapidly increasing. In October, 1921, the turnover was only 37,000 roubles, but by the middle of 1924 had reached 800,000 roubles. The productive workers belong to their appropriate union, while the sales people and clerks are members of the All-Russian Union of Soviet and Commercial Employees. The number of clerks and administrators is greatly in excess of what would be considered necessary in England for the same sort of business. In these co-operative societies the grocery and provision departments have the largest turnover; the next in importance is the bakery and confectionery, and, thirdly, the drapery.

At Tiflis, as in Baku, the general untidiness of the small private shop was very noticeable, while the co-operative stores are very tidy and clean.

V.—Tiflis Electricity Scheme

Tiflis, like other towns in Russia, is to have a great electricity power station. Plant that will harness 36,000 horse power from the River Kura is now being erected. The stream curves round a bend under the ancient metropolis of Georgia, a city which, looked at from a distance, appears as a cluster of houses and roofs browned and grayed by the sun's rays.

The distance of the power station from the city is approximately twelve miles. It is reached by a road that has been traversed by the oldest tribes of men, who tramped for centuries to and from this cradle of the world, whose ancient history is still vividly colouring civilisation. Along this road still travel, as in the many ages past, oxen, lumbering and slow, relentlessly eating up distance and time, goaded and cajoled by drivers who still beat and curse them, along this mud-rutted road, as did the drivers of a thousand years ago; while flocks of turkeys, droves of pigs, skinny and hump-backed, long-haired sheep, are driven in endless procession to the markets of Tiflis.

Now the miracle is happening. The powers of the river are to be gathered in a huge dam, their wild strength is to be controlled and utilised, and modern civilisation has come to restrict these wild waters and turn their energy into a stream of useful industrial activity. The energies of nature captured by the Revolution will be conserved for industrial purposes, and Tiflis will grow into a modern city, with light for its surrounding villages and free power for its production.

Already the work has made such progress that the dam is nearing completion. It will form a huge basin, harnessing the surging waters, which will accumulate in prodigious numbers millions of gallons and tons of weight.

The formation of the dam is as of three fingers; the left avenue will be utilised for the purpose of constructing a huge canal dug out of the rock, faced with smooth cement, and having a drop of 25 metres, which will permit of a volume and velocity of water that will concentrate into 36,000 horse-power.

The machinery is already in position and a perfect plant has been gathered together. The undertaking has another twelve months to run before completion. Three busy shifts are employing approximately a thousand workers in each shift. The men are housed in the best dwelling accommodation obtainable for such undertakings.

A hospital is erected, where the latest and most efficient medical and surgical aid is obtainable.

Bathing is a great feature; some 400 men obtain their daily bath with an ample supply of water for cleansing purposes. These bath-houses are an object-lesson in sanitary equipment to even our most humane contractors.

The wages rise from a rouble a day to 4 roubles; the food is obtained

on a co-operative basis and is cheap. Efforts are being made on a practical and effective scale for the entertainment, training, and even the education of the workers employed. The Delegation saw a most industrious and orderly set of men in full and willing co-operation.

The scheme is a part of that suggested by Lenin for the electrification of Russia in general and industrial centres in particular. The results of this electric power will be the saving of transport and the conservation of the timber supply. One can see the miracle of industrial improvement slowly evolving and adding to the civilisation of Tiflis a great and lasting benefit to all concerned.

VI.—Visit to the Labour Palace, Tiflis

The premises occupied by the Trade Union Movement in Tiflis, a well appointed building situated in the main thoroughfare of the city, was formerly utilised as a hotel and restaurant. During the British occupation of the Caucasus, it was occupied by British soldiers for living purposes. It is now the headquarters of the Executives of local unions and also the Executive Council of the Georgian Trade Unions. It contains three floors, a large hall for meetings, the top floor being used for hotel purposes in which accommodation is provided for Trade Union delegates visiting Tiflis from other parts of Georgia.

In Georgia there are 105,000 members of Trade Unions out of a total population of 2½ millions. There were 21 local unions in Tiflis with a membership of approximately 50 per cent. of the total membership in Georgia, and 17,500 organised railwaymen, 7,000 of these being employed in railway shops. There are 600 textile workers, 13,600 members of unions representing teachers, clerks, and other non-industrial workers. Transport workers including porters at the station are also well organised.

The Trade Union organisation are controlled by a Presidium consisting of 15 members—five members of the Presidium residing in Tiflis, and ten engaged in the work of organisation.

The membership of Trade Union organisation consists of supporters both of the Menshevik and Bolshevik Parties, no pressure is exercised and no terrorism exists as between Bolshevik and Menshevik members of the Unions. Non-partisan workmen can also become members of Trade Unions, and if elected are allowed to hold official positions in the organisations.

In response to inquiries it appeared that many members of the unions have left the Menshevik Party and are now accepted in the Trade Union Movement as non-partisan members, also that officials of the unions formerly working under Menshevik rule are now working in the same capacity under Soviet rule.

There has been no system of dismissals of members of the Menshevik Party from Executive Councils under the Soviet regime, and leather

workers, clothing workers, and clerks were still retaining in their membership Menshevik adherents. Under Menshevik rule in Georgia Bolshevik members of Trade Unions were excluded from participating in the advantages of rest houses, sanatoria, etc. Rest houses are now thrown open and utilised freely by Menshevik members of the Trade Union organisations, and in many cases it was declared the toleration shown to the members of Trade 'Unions who had formerly been Menshevik adherents has been sufficient to influence them to join the Communist Party.

Steps have been taken to increase the accommodation in rest houses and hospitals by the authorities, and hospitals providing 230 beds have been built out of Trade Union insurance funds, 300,000 gold roubles having been expended for the purpose. Steps have also been taken to improve the educational facilities for the workers, and students from workers' homes are being educated in special professions with an age limit of 18 to 35, which would provide education of four years in school and four years in the university. Special courses of university instruction are given for the purpose of providing technical training for those intended for administrative posts in industry, scholarships being provided by Trade Union organisations for this purpose, with an obligation to spend some part of the time in workshops for special training.

Great efforts are being made to eliminate illiteracy in Tiflis, and 3,000 workers are at schools for this purpose.

Regarding enthusiasm for the Trade Union Movement in Georgia, the workers are not backward, but special Organisation Boards are needed in order to maintain enthusiasm and to improve the administrative capacity. Georgia is a country of various nationalities; the villagers in the mountains have for many, many years lived a precarious life, and they give ready response to Communist propaganda. The same applies to peasant life generally. According to statistics 75 per cent. of the peasants took part in the recent elections.

VII.—Visit to Chiaturi Manganese Mines

The Delegation visited the manganese mines at Chiaturi. It was necessary to travel ten hours by train and then on horseback to and from the mines, a distance of about 15 miles up mountain sides. There is a wonderful seam of manganese varying from 3ft. 6ins. to 5ft. Narrow ways are driven into the seam with about 12ft. of cover. The timbering of the workings is very carefully carried out, and roof supports are set every 2ft. 6ins., or oftener if required. The State mine visited was not selected by the local people, who knew nothing of the arrival of the Delegation. It is worked on the retreating system, which in itself is the safest method to adopt.

Great credit is due to the mining engineer for the way the mine has been laid out.

The hewer devotes all his time to producing the mineral. There is a separate staff for timbering the roadways and the working places, and separate persons employed for filling and tramming the minerals. The trams used carry about 1 ton and are of very good construction. The roadways are excellent.

The trammers receive 2 roubles per day, timberers 2½ roubles per day, and hewers receive a minimum of 2½ roubles, but by a system which is called the artel he can earn from 3 to 3½ roubles a day.

The hours of labour are seven hours a day with five hours on Saturday, making 40 hours a week for the underground workers. Surface workers work eight hours a day with six hours on Saturday, making 46 hours per week.

The Delegation also visited a British mine which is not now producing.

Another British firm was visited; this firm employs 600 workers. Since the Soviet Government has taken control of the mines they have to work the same hours and receive the same wages as those paid in the State mines, which include the usual benefits.

We found that the transport of manganese from the mines to the railways was done by buffaloes and oxen on very bad roads. Two oxen were carrying just over two-thirds of a ton and buffaloes from one ton to one and a-half tons, which was a very primitive method. The State has already commenced to build an electric power-house of 500 horse-power Diesel engines, ordered in 1919 but not supplied until 1924; this station will be in full working order by the 31st of May, and will do away with all the ancient and cruel method of transport of the materials from the mine to the railway.

The Delegation went underground to the place of the seam, a distance of 200 yards, and visited six different working places.

Housing

The housing conditions were better than the old type of house on the oilfields, but still far from satisfactory. The State has already commenced to build hostels for the workers of a considerably better type than those in existence.

Working Time

Underground workers work 20 days a month, but there is no objection to their working 24 days; the surface workers work 24 days a month.

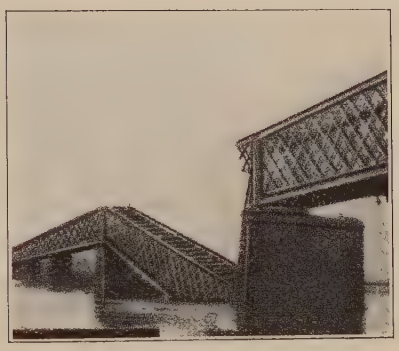
The number of people employed are only about half the number that were usually employed owing to the depression in the steel industry. The State mines employ about 1,000 workers, or only half the quantity previously employed.

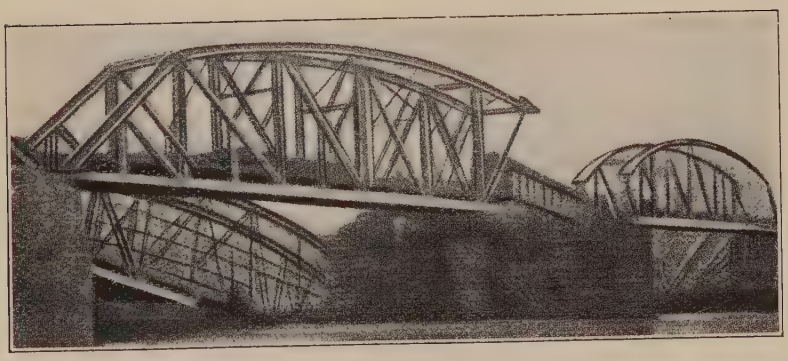
The production from State mines and private enterprise is about 32,000 tons per month.

Hospital

The Delegation visited the hospital which at present has accommodation for 36 patients. A further extension is being added which will provide for 80 patients when complete. The present staff consists of four doctors, four sisters, and six nurses. During the month of November, 141 patients were dealt with inside the hospital. The disease that they suffer from is inflammation of the lungs with a certain amount of silicosis and phthisis caused by the inhaling of manganese dust. The doctor stated that the average death rate in the hospital is about 3 per cent. The hospital deals with about 60 odd out-patients per day.

The operating rooms and the X-ray department were well equipped for the work it was called upon to do. These institutions are provided free to the workers, their wives and families. The patients included Russians, Georgians, Turks, Armenians, Chinese, Indians, and Germans. The Delegation was glad to find, although the visit was a surprise, that there was no distinction whatever made between the various nationalities, which in itself speaks well for the future.





BRIDGES DESTROYED BY THE "WHITES" AND NOW REBUILT

GLOSSARY

POLITICAL TERMS

Bolshevik = Majority member of S. D. party—a communist. A believer in government by minority and revolution.

Menshevik = Minority member of S. D. party—a socialist. A believer in government by majority.

Comintern = The Central Office of the Communist or Third International situated in Moscow.

New Economic Policy or N.E.P. = Lenin's change of policy in 1920-21, which ended War Communism and began a system of concessions and compromises.

Nepman = A trader for private profit—vulgarly, a profiteer.

Koulak = A large farmer; an opponent of Russian Communism.

Commissariat = A Ministry.

Soviets = Revolutionary Committees that have developed into a system of representative councils.

Vodka = Russian whisky.

Ikon or eikon (Greek) = Sacred picture.

Tcheka = Extraordinary Commission—a counter-reactionary secret police now abolished.

Presidium = A Standing Committee elected by plenum of an Executive Committee.

The new Russian institutions and enterprises are expressed by compound words made up of the first syllables of the words composing their names—such as :—

Sovnarkom = Soviet narodnikh Kommissarov (Council of People's Commissars).

U.S.S.R. = Union of Socialist Sovietist Republics.

R.S.F.S.R. = Russian Socialist Sovietist Republics.
(For other abbreviations, see diagram of Constitution.)

A.R.C.T.U. = All-Russian Council of Trade Unions.

WEIGHTS AND MEASURES

1 Dessiatine	2.7 acres.
1 Pound (Russian)	0.9lb. avoirdupois.
1 Pood (40 pounds)	36lb. avoirdupois.
1 million poods	16,128 tons.
1 Verst (500 sajens)	0.66 mile.
1 Sajen (3 arshins)	7ft.
1 Arshin	28in. (0.77 yard).

MONEY

Tchervonetz	10 Russian roubles.
Rouble	About 2s.; £1 about 9.5 roubles.
Kopek	One hundredth of a rouble.

INDEX

Abbreviations used in this Index are : N.E.P. = New Economic Policy ; U.S.S.R. = Union of Russian Socialist Sovietist Republics ; *sqq.* = " and on the following pages " ; *q.v.* = " which see " ; *passim* = " on most pages after that last mentioned " ; *et alibi* = " and also in other places " ; T.U. or T.U.'s = Trade Union or Trade Unions.

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Printed by the

Co-operative Printing Society Limited, Tudor Street, New Bridge Street, London, E.C.4; and at Manchester and Newcastle

MAP OF (EUROPE SECTION) UNION OF SOCIALIST SOVIET REPUBLICS

Scale of Miles

50 0 50 100 150 200

ARCTIC OCEAN

BALTIC SEA

FINLAND

Kola Peninsula (In R.S.F.S.R.)

WHITE SEA

Solovetzki Is

KARELIA A.S.S.R.

Archangel

R. Dvina

KOMI-NYZRAN A.S.S.R.

UST-SYSSOLSK

PETROZAVODSK

HELSINGFORS

LAKE LADOGA

LENINGRAD

Volkhovstroi

REVAL

ESTONIA

LATVIA

RIGA

Sebezh

EAST PRUSSIA

LITHUANIA

R. Dvina

MOSCOW

Shatura

WHITE RUSSIA S.S.R.

MINSK

POLAND

RUSSIAN SOCIALIST FEDERATION OF SOVIET REPUBLICS

R. Volga

VOTYAK A.P.

IZHEVSK

MARIISK A.P.

KRASNOKOKSHAISK

TCHEBOKSARI

TCHUVASH A.P.

KAZAN

TARTAR A.S.S.R.

UFA

BASHKIR A.S.S.R.

ORENBURG

POKROVSK

GERMAN VOLGA A.S.S.R.

KIRGHIZ A.S.S.R.

R. Don

R. Volga

KHARKOV

UKRAINE S.S.R.

R. Donetz

Bakhmut

Sterovka

Gorlovka

Yuzovka

R. Dniester

BESSARABIA

MOL. A.S.S.R.

BALTA

Odessa

R. Dnieper

Rostov

ROMÂNIA

KALMYK A.P.

ASTRAKHAN

CRIMEA A.S.S.R.

SIMFEROPOL

R. Danube

KRASNODAR

AD.TCH.A.P.

BATALPASHINSK

Kislovodsk

KARACHEEV-TCHERKESS A.P.

KAB.-BA. A.P.

NALCHIK

CHECHENSKI A.P.

GROZNI

DAGHESTAN A.S.S.R.

MAKHACH-KALA

CASPIAN SEA

ABKHAZIA SUKHUM A.S.S.R.

S. OS. A.P.

TZKHINVAL

Zemo Snava

Sinaia

Tourist

BULGARIA

BLACK SEA

GEORGIA S.S.R.

TIFLIS

BATUM

TRANSCAUCASIAN S.F.S.R.

ARMENIA S.S.R.

ERIVAN

AZERBAIDZHAN S.S.R.

BAKU

NAKHITCHEVAN A.P.

NAK.

CONSTANTINOPLE

TURKEY

LEGEND

S.S.R.	SOCIALIST SOVIET REPUBLIC. (INDEPENDENT)
A.S.S.R.	AUTONOMOUS SOCIALIST SOVIET REPUBLIC
A.P.	AUTONOMOUS PROVINCE.
MOL.	MOLDAVIA
AD.-TCH.	ADIGHEEV-TCHERKESS.
KAB.-BA.	KABARDA-BALKARSAYA.
S. OS.	SOUTH OSETIYA.
NAK.	NAKHITCHEVAN

Route (Railway) of Delegation.

Places visited underlined in Red.

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MAP OF
(ASIA SECTION)
UNION OF
SOCIALIST
SOVIET REPUBLICS
Scale of Miles
100 50 0 100 200 300 400 500
ARCTIC OCEAN
BERING SEA
MOSCOW
RUSSIAN SOCIALIST FEDERATION OF SOVIET REPUBLICS
YAKUTSK A.S.S.R.
R. Lena
YAKUTSK
R. Yenisei
R. Ob
SEA OF OKOTSK
NIKOLAEVSK
Sakhalin I.
R. Amur
NORTH PACIFIC OCEAN
ORENBURG
OMSK
TOMSK
R. Irtish
CASPIAN SEA
KIRGHIZ A.S.S.R.
Aral Sea
TCHIMBAI
KARA-KALPAK A.P.
TURKOMAN S.S.R.
POLTORATZK
TASHKENT
SAMARKAND
UZBEK S.S.R.
DYUSHAMBE
KARA-KIRGHIZ A.P.
DZHELALABAD
TADZHIK A.S.S.R.
ULALA
OIRATSK A.P.
IRKUTSK
BURYAT MONGOL A.S.S.R.
VERKHNE-UDINSK
BURYAT A.S.S.R.
CHINESE REPUBLIC
SEA OF JAPAN
JAPAN
VLADIVOSTOK
TOKIO
KOREA
LEGEND
S.S.R. SOCIALIST SOVIET REPUBLIC (INDEPENDENT)
A.S.S.R. AUTONOMOUS SOCIALIST SOVIET REPUBLIC
A.P. AUTONOMOUS PROVINCE.
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